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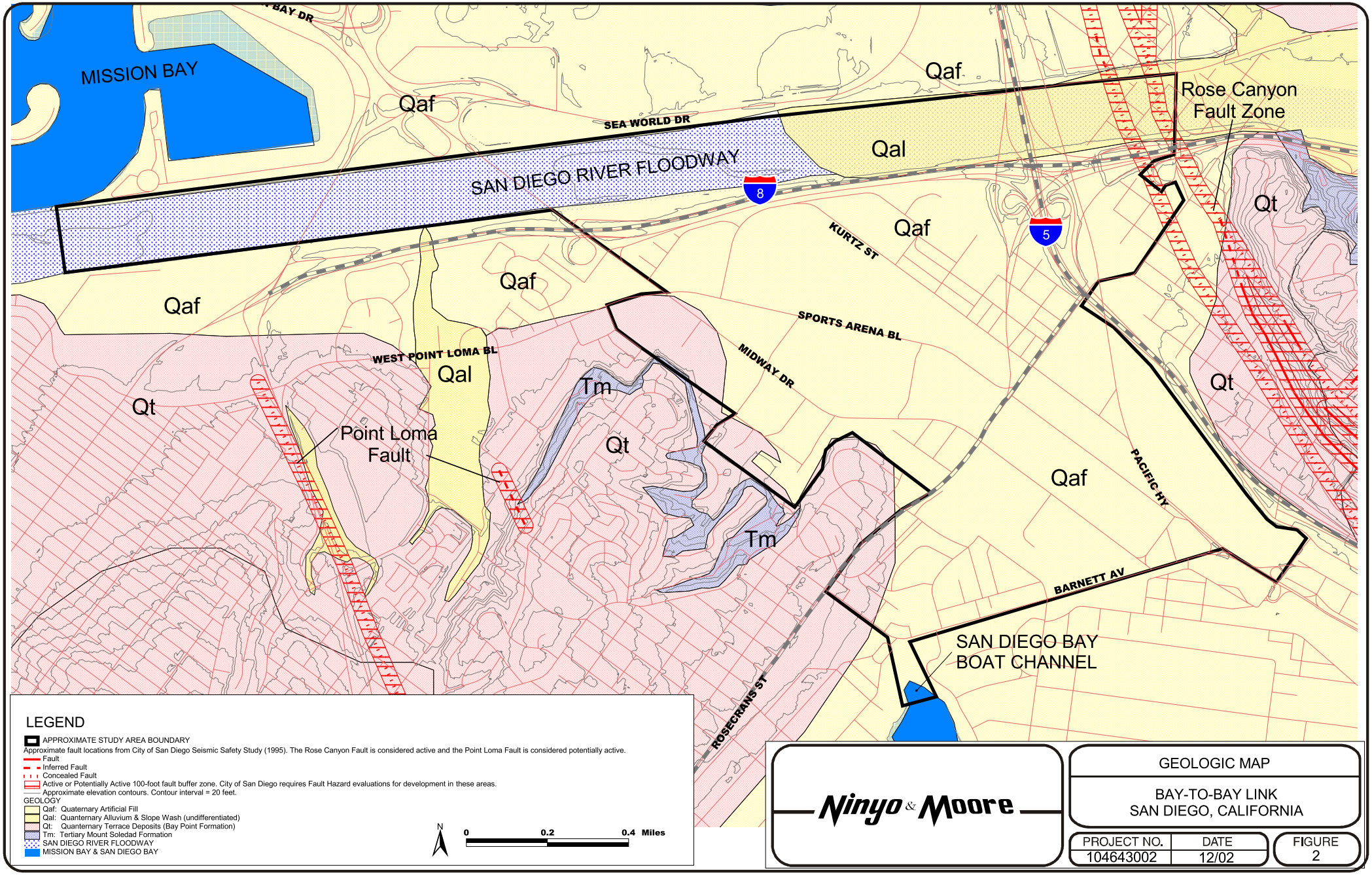
AERIAL PHOTOGRAPHS				
Source	**Date**	**Flight**	**Numbers**	**Scale**
USDA	3-31-53	AXN-3M	215, 216, and 217	1:20,000
USDA	3-31-53	AXN-4M	91, 92, 93 and 94	1:20,000

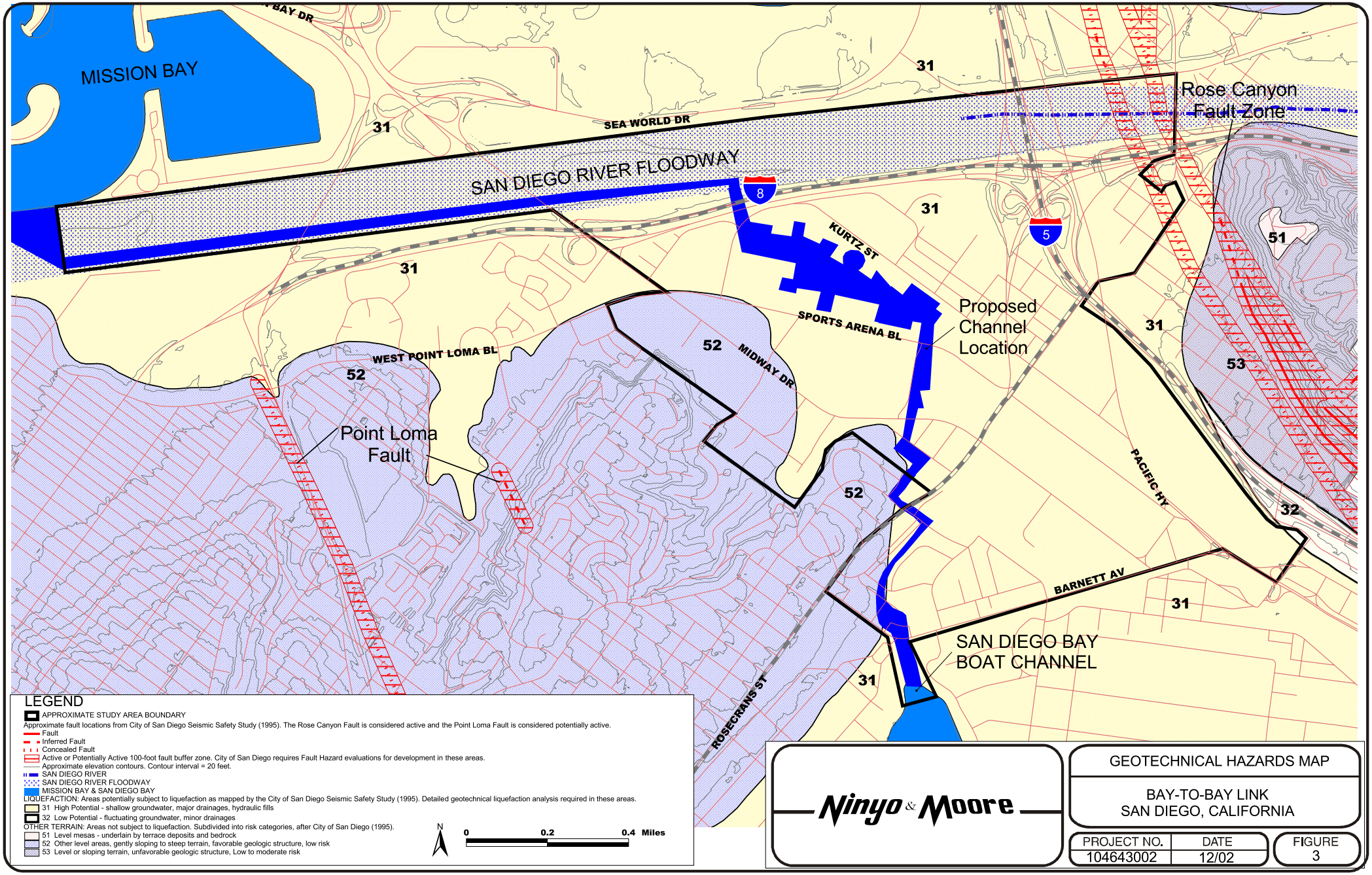


Ninyo & Moore

GEOLOGIC MAP

BAY-TO-BAY LINK
SAN DIEGO, CALIFORNIA

PROJECT NO.	DATE	FIGURE
104643002	12/02	2


MISSION BAY
SEA WORLD DR
SAN DIEGO RIVER FLOODWAY
Rose Canyon Fault Zone
KURTZ ST
SPORTS ARENA BL
Proposed Channel Location
WEST POINT LOMA BL
MIDWAY DR
Point Loma Fault
PACIFIC HY
BARNETT AV
SAN DIEGO BAY BOAT CHANNEL
ROSECRANS ST
31
52
53
51
32
8
5
LEGEND
APPROXIMATE STUDY AREA BOUNDARY
Approximate fault locations from City of San Diego Seismic Safety Study (1995). The Rose Canyon Fault is considered active and the Point Loma Fault is considered potentially active.
Fault
Inferred Fault
Concealed Fault
Active or Potentially Active 100-foot fault buffer zone. City of San Diego requires Fault Hazard evaluations for development in these areas.
Approximate elevation contours. Contour interval = 20 feet.
SAN DIEGO RIVER
SAN DIEGO RIVER FLOODWAY
MISSION BAY & SAN DIEGO BAY
LIQUEFACTION: Areas potentially subject to liquefaction as mapped by the City of San Diego Seismic Safety Study (1995). Detailed geotechnical liquefaction analysis required in these areas.
31 High Potential - shallow groundwater, major drainages, hydraulic fills
32 Low Potential - fluctuating groundwater, minor drainages
OTHER TERRAIN: Areas not subject to liquefaction. Subdivided into risk categories, after City of San Diego (1995).
51 Level mesas - underlain by terrace deposits and bedrock
52 Other level areas, gently sloping to steep terrain, favorable geologic structure, low risk
53 Level or sloping terrain, unfavorable geologic structure, Low to moderate risk
N
0
0.2
0.4 Miles
Ninyo & Moore
GEOTECHNICAL HAZARDS MAP
BAY-TO-BAY LINK
SAN DIEGO, CALIFORNIA
PROJECT NO. 104643002
DATE 12/02
FIGURE 3

XI. LIMITED HAZARDOUS MATERIALS TECHNICAL STUDY

Prepared by:
Ninyo & Moore Geotechnical and Environmental Sciences Consultants
5710 Ruffin Road
San Diego, California 92123
12/18/02
Project No. 104643001

INTRODUCTION

Purpose

The objective of this limited Hazardous Materials Technical Study (HMTS) was to evaluate specific existing, potential, or suspect conditions that may impose an environmental liability with respect to soil and groundwater contamination within the area identified as the proposed Bay-to-Bay Link, located in San Diego, California (hereinafter referred to as the site or subject site) (Figure 1).

Involved Parties

Ninyo & Moore conducted this limited HMTS for Wallace, Roberts & Todd, Inc. (WRT), in general accordance with our solicitation number S-3269, dated August 24, 2001 (revised January 28, 2002). Ms. Dalin D'Alessandro and Ms. Lisa Hill of Ninyo & Moore conducted the site reconnaissance on November 12 and 13, 2002, and performed historical research. Ms. Leslie Redford of Ninyo & Moore performed project oversight and quality review.

Scope of Work

Ninyo & Moore's scope of work for this limited HMTS included the activities listed below.

- Review of readily available maps and reports pertaining to the site.

- Performance of a site reconnaissance of the study area to visually identify areas of possibly contaminated surficial soil or surface water, improperly stored hazardous materials, possible sources of polychlorinated biphenyls (PCBs), and possible risks of contamination from activities at the site and nearby properties. The exteriors within subject site boundaries and properties within approximately 200 feet of the site were assessed from public rights-of-way by vehicle or on foot; interiors of structures located within the study area were not assessed.

- Review of readily available aerial photographs (1940 to present) of the subject site.

- Review of available regulatory agency databases for the site and for properties located within a 200-foot radius of the site (i.e., the study area). The purpose of this review was to evaluate the possible environmental impact to the site. These databases identify locations of known hazardous waste sites, landfills, leaking underground storage tanks, permitted facilities that utilize underground storage tanks, and facilities that use, store, or dispose of hazardous materials.

- Review of readily available local agency files for selected facilities of potential environmental concern within the project area.

- Preparation of this limited HMTS report documenting findings and providing opinions and conclusions regarding possible environmental impacts at the site.

GENERAL SITE CHARACTERISTICS

The project study area is approximately 1.69 square miles in area, and is located in the southwestern portion of the city of San Diego (Figure 1). For discussion purposes, Ninyo & Moore divided the study area into four subareas (Subareas A, B, C, and D). The subareas comprising the site are shown on Figure 1 and are described as follows:

- **Subarea A:** The area including the San Diego River Floodway, extending east to the Morena Boulevard overpass. The San Diego National Railroad (SDNR) railroad tracks, the Coaster railroad tracks, and the San Diego Trolley trolley tracks cross the eastern portion of the subarea.

- **Subarea B:** Generally commercial/light industrial areas bounded by the San Diego River Floodway to the north, Morena Boulevard to the east, Taylor and Rosecrans Streets to the southeast, Sports Arena Boulevard to the south, and West Mission Bay Drive to the west. The SDNR railroad tracks, the Coaster railroad tracks, and the San Diego Trolley trolley tracks cross the eastern portion of the subarea.

- **Subarea C:** Generally commercial areas bounded by West Point Loma and Sports Arena Boulevards to the north; Rosecrans Street to the southeast; Meadow Grove Drive, Evergreen Street, and Shadowlawn Street to the south; and from Groton Street to Kemper Street to the southwest.

- **Subarea D:** Generally commercial and residential areas bounded to the northwest by Rosecrans Street; the Interstate 5 freeway to the northeast; Witherby Street, Pacific Highway, and Barnett Avenue to the southeast; and Lytton Street to the southwest. A narrow strip of land extending from the intersection of Lytton Street and Barnett Avenue to San Diego Bay is also included in this subarea. The SDNR railroad tracks, the Coaster railroad tracks, and the San Diego Trolley trolley tracks cross the eastern portion of the subarea.

Properties within the study area are developed with schools; a post office; retail and commercial businesses, including offices, medical facilities, stores, restaurants, dry cleaning facilities, gasoline service stations, and automobile repair facilities; light industrial facilities; and multi- and single-family residences. These facilities are further discussed in Sections 5 and 6.
According to WRT's Scope of Services, the goal of the project is to provide specific information to the City of San Diego to assist in the decision-making process toward the development of an "Urban Village Center" for this study area in San Diego.

SITE HISTORY AND LAND USE REVIEW

Ninyo & Moore reviewed historical aerial photographs to obtain information regarding the history of activities within the study area. Historical aerial photographs were reviewed for the years

1949, 1953, 1966, 1973/74, 1986/87, and 1995/96. Table 1 provides a listing of the photographs reviewed for this limited HMTS, and Table 2 presents a summary of notable observations in each photograph. In accordance with the Scope of Work, other historical sources (e.g., Sanborn fire insurance maps and historical city directories) were not included in the review.

Table 1 – Aerial Photographs Reviewed

Date	Photograph Number	Source
1949	AXN-IF-42 and 88	A
1953	AXN-4M-93	A
1966	1-37, 1-80, and 1-81	A
1973/74	29-8, 29-9, and 30-9	A
1986/87	Aerial Foto-Map Book, p. 14E, 14F, 15E, and 15F	B
1995/96	Lenska Aerial Photograph Book, p. 1268	B

Sources: A – County of San Diego, Department of Public Works, San Diego, California.
B – Ninyo & Moore, San Diego, California.

Table 2 – Aerial Photograph Summary

Year	Subarea A	Subarea B	Subarea C	Subarea D
1949	The majority of the present-day roads are visible. The subarea is generally undeveloped, consisting primarily of an open floodplain, with scattered residential structures in the western portion of the subarea.	The majority of the present-day roads are visible. The western portion of the subarea is generally developed with multi-family residential structures. The eastern portion of the subarea is generally developed with commercial structures.	The majority of the present-day roads are visible. The subarea is generally residential, with some areas of undeveloped land.	The majority of the present-day roads are visible. The southernmost portion of the subarea, adjacent to the Boat Channel, is developed with commercial structures. The southwest portion of the subarea is generally developed with multi-family residential structures. Commercial structures are visible along Rosecrans Street, Midway Drive, and Sports Arena Boulevard. The southeast corner of the intersection of Midway Drive and Sports Arena Boulevard is vacant, graded land with approximately 10 areas of what appears to be ponded liquid scattered across the area. The portion of the subarea located east of Pacific Highway is developed with approximately three industrial structures, eight smaller structures, and six Quonset huts similar in configuration to the present-day SPAWAR facility. Four cylindrical structures, possibly aboveground storage tanks (ASTs) associated with the industrial structures, are visible.
1953	An east-to-west trending channel similar in configuration to the present-day San Diego River Floodway is visible. Adjacent to the north of the subarea, approximately one mile west of Interstate 5, is an area occupied by what appears to be rectangular piles of refuse, possibly associated with the Mission Bay Landfill.	Generally unchanged from the 1949 photograph.	Generally unchanged from the 1949 photograph.	The previously described areas of ponded liquid are no longer visible. A cylindrical structure, possibly an AST, is located approximately 900 feet south of the intersection of Sports Arena Boulevard and Rosecrans Street. Otherwise, generally unchanged from the 1949 photograph.
1966	The previously described refuse piles are no longer visible;	The subarea is generally developed with commercial structures. The	The portion of the subarea located northeast of Midway Drive is	Generally unchanged from the 1953 photograph.

Table 2 – Aerial Photograph Summary

Year	Subarea A	Subarea B	Subarea C	Subarea D
	however, numerous rectangular depressions are now visible in this area. Otherwise, generally unchanged from the 1953 photograph.	present-day San Diego Sports Arena is visible on the north side of Sports Arena Boulevard. The present-day extension of Interstate 5, south of Interstate 8, is visible.	generally developed with commercial structures. Otherwise, generally unchanged from the 1953 photograph.	
1973/74	The previously described depressions are no longer visible. Otherwise, generally unchanged from the 1966 photograph.	The present-day extension of Interstate 8, west of Interstate 5, is now visible. Otherwise, generally unchanged from the 1966 photograph.	Generally unchanged from the 1966 photograph.	A commercial/industrial structure similar in configuration to the present-day United States Post Office is visible at the corner of Barnett Avenue and Midway Drive. Otherwise, generally unchanged from the 1966 photograph.
1986/87	Generally unchanged from the 1973/74 photograph.	Generally unchanged from the 1973/74 photograph.	Generally unchanged from the 1973/74 photograph.	The previously described Quonset huts and three of the four ASTs are no longer visible. Otherwise, generally unchanged from the 1973/74 photograph.
1995/96	Generally unchanged from the 1986/87 photograph.	Generally unchanged from the 1986/87 photograph.	Generally appears as at present, with commercial structures located along Midway Drive, and residential areas in the southeastern portion of the subarea.	Generally unchanged from the 1986/87 photograph.

Based on the aerial photograph review, the northern portion of the study area consisted of an open floodplain, with scattered residential structures in the northwestern portion of the study area, since at least as early as 1949. Sometime between 1949 and 1953, the open floodplain became a channel similar in configuration to the present-day San Diego River Floodway. The remainder of the study area appears to have been generally developed with roads, commercial and residential structures, similar in appearance to the current configuration, since at least as early as 1949. The present-day SPAWAR facility on the northeastern portion of Subarea D has been present since at least as early as 1949; and the present-day San Diego Sports Arena has been present in the central portion of Subarea B since sometime between 1953 and 1966.

ENVIRONMENTAL SETTING

The following sections include discussions of the topographic, geologic, and hydrogeologic conditions in the study area and vicinity. For more detailed information regarding geotechnical conditions within the study area, please refer to the Limited Geotechnical Evaluation report of the study area, prepared concurrently by Ninyo & Moore and provided under separate cover.

Topographic Conditions

Based on our review of the United States Geological Survey (USGS), La Jolla and Point Loma, California, 7.5-minute quadrangle maps (1967, Photorevised 1975), in general, the roads in the study area are shown to be in their present-day alignment. The surface elevation at the site varies from sea level to approximately 40 feet above mean sea level. The significant features on the site and in the vicinity of the site include a channel similar in alignment to the present-day San Diego River Floodway at the northern portion of the site, extending east-northeast to west-southwest; Mission Bay to the north; Presidio Park and Old Town San Diego State Historical Park to the east; and the United States Marine Corps Recruit Depot to the south of the site. In addition, two sewage disposal ponds are located adjacent to the north of the San Diego River Floodway. A description of each of the subareas, as presented in the respective USGS quadrangle maps, is presented below. No significant changes were noted between the 1967 and 1975 Photorevised versions of the maps.

- **Subarea A**: The San Diego Floodway, crossed by West Mission Bay Drive and Sunset Cliffs Boulevard overpasses, are located in the central and western portions of this subarea. The San Diego River, crossed by the Interstate 5 freeway and the Atchison, Topeka, and Santa Fe (AT&SF) railroad tracks are shown in the eastern portion of the subarea.

- **Subarea B**: The International Arena, similar in configuration to the present-day San Diego Sports Arena, is shown on the southwestern portion of this subarea. The remainder of the subarea is developed with commercial structures similar in configuration to the present-day structures.

- **Subarea C**: A fire station, a post office, a hospital, Midway High School, and commercial structures similar in configuration to present-day structures are shown in this subarea.

- **Subarea D**: Three large, rectangular commercial structures and several smaller structures similar in configuration to the present-day SPAWAR structures are located on the eastern portion of the subarea. Two ASTs are present on the southeastern portion of the subarea, and appear to be associated with the SPAWAR facility. The AT&SF railroad tracks cross

the eastern portion of the subarea. Loma Square Shopping Center and George Dewey School occupy the northwestern portion of the subarea. The remainder of the subarea is generally developed with commercial structures similar in configuration to the present-day structures.

Geologic Conditions

The project study area is situated in the western portion of the Peninsular Ranges geomorphic province of southern California. This geomorphic province encompasses an area that extends 125 miles from the Transverse Ranges and the Los Angeles Basin, south to the Mexican border, and beyond another 775 miles to the tip of Baja California (Norris and Webb, 1990). The geomorphic province varies in width from 30 to 100 miles, most of which is characterized by northwest trending mountain ranges separated by subparallel fault zones. In general, the Peninsular Ranges are underlain by Jurassic-age metavolcanic and metasedimentary rocks and by Cretaceous-age igneous rocks of the southern California batholith. The westernmost portion of the province in San Diego County generally consists of Upper Cretaceous-, Tertiary-, and Quaternary-age sedimentary rocks.

Soil Conditions

Based on our literature review, including published geologic maps and available geotechnical reports, the study area is underlain generally by artificial fill, alluvium and slope wash, bay deposits, terrace deposits (Bay Point Formation), and materials of the Mount Soledad Formation.

Hydrogeologic Conditions

Based on the review of available hydrogeologic data from the California Regional Water Quality Control Board, San Diego Region (RWQCB), Subarea A and a portion of Subarea B of the site are located in the Mission San Diego Subarea, San Diego Lower San Diego Area, within the San Diego Hydrologic Unit. The remainder of the site is located in the Lindbergh Subarea, San Diego Mesa Area, within the Pueblo San Diego Hydrologic Unit. Based on our review of existing subsurface information, the depth to groundwater is expected to occur near mean sea level for much of Subareas A and B, and for the low-lying portions of Subareas C and D. Shallow groundwater is expected to be a constraint to construction over the majority of the site and should be evaluated on a case-by-case basis. Existing beneficial uses for groundwater for the Mission San Diego Subarea include agricultural supply and industrial process and service supplies. Potential beneficial uses for groundwater in this subarea include municipal and domestic supply. The San Diego Mesa Area is excepted from municipal and domestic supply. Groundwater flow is generally to the west, but may vary significantly on a local scale. In general, groundwater depths, flow direction, and gradient may be influenced by seasonal fluctuations, groundwater withdrawal or injection, or other factors.

SITE OBSERVATIONS

On November 12 and 13, 2002, Ms. Dalin D'Alessandro and Ms. Lisa Hill of Ninyo & Moore conducted a limited reconnaissance of the study area. The limited site reconnaissance involved a walking and driving tour of the site, and visual observations of adjoining properties located within

200 feet of the site. It should be noted that access to properties in the study area was limited to observations made from public rights-of-way and to the exteriors of the properties. Photographs taken during this reconnaissance are provided in Appendix A.
Several properties that utilize hazardous materials and store hazardous wastes were identified during the site reconnaissance. These facilities are described in Table 3. Potential environmental issues associated with specific businesses are also described in Table 3. Several issues of potential environmental concern were observed during the site reconnaissance. These issues are described below.

- Pole- and pad-mounted electrical transformers were observed along sidewalks adjacent to the subject roadways, and within office centers and retail centers. These transformers are owned and operated by San Diego Gas & Electric (SDG&E). SDG&E was contacted regarding the status of the electrical transformers serving the site. According to an SDG&E representative, based on routine random testing performed by SDG&E, it is unlikely that the transformers contain PCBs. At the time of the site reconnaissance, leaks or stains were not noted in the vicinity of the transformers observed (please note that the transformers along roadways and within office properties were not individually inspected at the time of the site reconnaissance; therefore, it is possible that leaks have occurred with some transformers not observed during the site reconnaissance). According to an SDG&E representative, SDG&E assumes responsibility for ensuring that its transformers comply with United States Environmental Protection Agency (USEPA) regulations governing PCBs.

- A second issue of potential environmental concern consists of gasoline service stations observed within the site boundaries. During the site reconnaissance, one active Texaco service station, one active Arco service station, and one active Chevron service station were observed. Four groundwater monitoring wells were observed at Texaco (3711 Camino Del Rio West), eight monitoring wells were observed at Arco (2940 Lytton Street), and five monitoring wells were observed at Chevron (2959 Midway Drive). In addition, three reported former gasoline service station properties (3720 Camino Del Rio West, and 3106 and 3229 Sports Arena Boulevard) were observed during the site reconnaissance. Refer to Sections 6 and 7 for more information regarding the investigations associated with these service stations.

- A third issue of potential environmental concern consists of other non-gasoline service station sites appearing on the Leaking Underground Storage Tank (LUST) list that are located within the site boundaries. These sites are listed in Figure 3. Refer to Sections 6 and 7 for more information regarding environmental investigations associated with these facilities.

- A fourth issue of potential environmental concern consists of gasoline service stations observed within 200 feet of the site. One active Unocal gasoline service station (4049 West Point Loma Boulevard) was observed during the site reconnaissance. Refer to Sections 6 and 7 for more information regarding this facility.

- A fifth issue of potential environmental concern is two former landfills located in/adjacent to the site. One of the landfills, the Mission Bay Landfill, is located adjacent to the north of the site. One groundwater monitoring well was observed adjacent to the south of this landfill. The second landfill, the Sports Arena Landfill, was formerly located in the vicinity of the San Diego Sports Arena. Refer to Sections 6 and 7 for more information regarding these facilities.

Table 3 – Site Observations

Site Observations	Subarea A	Subarea B	Subarea C	Subarea D
Chemical Storage/ Hazardous Waste Storage	This subarea is generally occupied by the San Diego River Floodway Channel. Chemical storage/ hazardous waste storage was not observed in this subarea during the site reconnaissance.	This subarea is generally occupied by light industrial businesses, several retail shopping centers, and individual commercial buildings. Sites that utilize chemicals include medical and dental facilities[1], printing facilities[2], photo developing facilities[3], automotive repair/oil change facilities[4], service stations[4], and dry cleaning facilities[5]. Eberhard Benton Roofing, located at 3691 Hancock Street, was observed in this subarea. Various containers of chemicals were observed on shelving units and on the asphalt-paved area at this facility during a drive-by of the area. See Table 4 and the *FirstSearch*™ report in Appendix B for more information regarding this facility and other facilities that store chemicals/hazardous waste in this subarea.	This subarea is generally occupied by medical facilities[1], individual commercial businesses, and retail shopping centers. Sites that utilize chemicals include printing facilities[2], photo developing facilities[3], automotive repair/oil change facilities[4], service stations[4], dry cleaning facilities[5], and car washes[6]. In addition, seven 55-gallon steel drums were observed on the eastern portion of the Genie Car Wash/Oil Change facility (3949 West Point Loma Boulevard), possibly associated with the open LUST case described in Table 4. Other chemical storage/hazardous waste storage was not observed in this subarea during the site reconnaissance. See Table 4 and the *FirstSearch*™ report in Appendix B for more information regarding facilities that reportedly store chemicals/hazardous waste in this subarea.	This subarea is generally occupied by residences, schools, individual commercial buildings, retail shopping centers, and a large industrial facility identified as SPAWAR, at 4297 Pacific Highway. Sites that utilize chemicals include printing facilities[2], photo developing facilities[3], automotive repair/oil change facilities[4], service stations[4], dry cleaning facilities[5], and car washes[6]. Two ASTs were observed at the SPAWAR facility, and are discussed in the UST/AST section, below. Other chemical storage/hazardous waste storage was not observed in this subarea during the site reconnaissance. See Table 4 and the *FirstSearch*™ report in Appendix B for more information regarding facilities that reportedly store chemicals/hazardous waste in this subarea.

Table 3 – Site Observations

Site Observations	Subarea A	Subarea B	Subarea C	Subarea D
USTs/ASTs	UST/AST facilities were not observed in this subarea during the reconnaissance.	See Table 4 and Section 7 for information regarding LUST sites in this subarea. No additional obvious UST/AST facilities were observed during the site reconnaissance.	See Table 4 and Section 7 for information regarding LUST sites in this subarea. No additional obvious UST/AST facilities were observed during the site reconnaissance.	See Table 4 and Section 7 for information regarding LUST sites in this subarea. In addition, one approximately 250-gallon AST labeled "Air Liquide" was observed between two buildings at the SPAWAR facility. In addition, one approximately 30,000-gallon AST was observed on the southeast portion of the SPAWAR facility. The contents of these ASTs are unknown. No additional obvious UST/AST facilities were observed during the site reconnaissance.
Polychlorinated Biphenyls (PCBs)	Pole- and pad-mounted transformers were not observed in this subarea during site reconnaissance.	Pole- and pad-mounted transformers were observed throughout the subarea; no stains or leaks noted during site reconnaissance.	Pole- and pad-mounted transformers were observed throughout the subarea; no stains or leaks noted during site reconnaissance.	Pole- and pad-mounted transformers were observed throughout the subarea; no stains or leaks noted during site reconnaissance.
Subsurface Structures	Subsurface structures, such as utility/water meter vaults, were observed in the dirt adjacent to an asphalt-paved road located along the northern boundary of Subarea A. In addition, one groundwater monitoring well was observed adjacent to the south of the aforementioned road. Based on the *FirstSearch*™ report and historical research, this well is possibly associated with the former Mission Bay Landfill, located adjacent to the north of the site.	Subsurface structures, such as utility/water meter vaults, were observed in the sidewalks and in the parking areas. In addition, four groundwater monitoring wells were observed at the Texaco Service Station (3711 Camino Del Rio West), possibly associated with the closed LUST case described in Table 4. Two groundwater monitoring wells were also observed at the former Howard Taylor Dodge property (3740 Rosecrans Street), associated with the closed LUST case described in Section 7.	Subsurface structures, such as utility/water meter vaults, were observed in the sidewalks and in the parking areas. In addition, two groundwater monitoring wells were observed at Parsley-Kennedy, Inc.'s shopping center (3146-3148 Midway Drive), possibly associated with the open LUST case described in Table 4.	Subsurface structures, such as utility/water meter vaults, were observed in the sidewalks and in the parking areas. In addition, eight groundwater monitoring wells were observed at the Arco Service Station (2940 Lytton Street) and five monitoring wells were observed at the Chevron Service Station (2959 Midway Drive), possibly associated with the open LUST cases described in Table 4.

Table 3 – Site Observations

Site Observations	Subarea A	Subarea B	Subarea C	Subarea D
Surface Staining	No significant surface staining noted in accessible areas.	No significant surface staining noted in accessible areas.	No significant surface staining noted in accessible areas.	No significant surface staining noted in accessible areas.
Storm Drains	No significant surface staining or noxious odors noted in the vicinity of the storm drains in this subarea during site reconnaissance.	No significant surface staining or noxious odors noted in the vicinity of the storm drains in this subarea during site reconnaissance.	No significant surface staining or noxious odors noted in the vicinity of the storm drains in this subarea during site reconnaissance.	No significant surface staining or noxious odors noted in the vicinity of the storm drains in this subarea during site reconnaissance.

Notes:

1 = Medical facilities commonly utilize radioisotopes in x-ray equipment and photochemicals in x-ray development, and generate biomedical, radiological and photochemical waste.
2 = Printing facilities commonly use ink and solvents.
3 = Photo developing facilities commonly use fixer and developer during the film developing process.
4 = In addition to gasoline products, services stations/oil change/auto repair facilities commonly store/use hydraulic oils, waste oil, antifreeze, batteries, solvents.
5 = Dry cleaning facilities commonly use perchloroethylene (PCE), trichloroethene (TCE), detergents, spotting chemicals, and rust inhibitor for the water tanks.
6 = Car washes commonly utilize detergents and generate wastewater containing oils.
AST = Aboveground storage tank
LUST = Leaking underground storage tank
UST = Underground storage tank

ENVIRONMENTAL DATABASE SEARCH

A computerized, environmental information database search of the majority of the study area and surrounding areas was performed by *FirstSearch*™ on October 18, 2002. A second search was performed by *FirstSearch*™ on October 29, 2002 of the narrow strip of land extending from Barnett Avenue to San Diego Bay in Subarea D of the study area. These two database searches were combined as one search for discussion purposes in this section. The *FirstSearch*™ searches included federal, state, and local databases. A search radius of 200 feet was used for the databases. A summary of the environmental databases searched and number of noted sites of environmental concern is presented in Appendix B. In addition, a description of the assumptions and approach to the database search is provided in Appendix B. The review was conducted to evaluate whether the site or properties within the vicinity of the site have been reported as having experienced significant unauthorized releases of hazardous substances or other events with potentially adverse environmental effects. Our review of the environmental database report indicated that several facilities that pose a potential environmental concern to the subject site are located within the MCRD facility. MCRD is listed on two of the databases searched, including the UST/AST and PERMITS lists. Sites appearing on databases located within MCRD are not discussed in detail in the sections below, for the following reasons:

1. MCRD has been identified as the responsible party and has an established ongoing investigation/remediation program for all environmental sites of concern identified on the base; and

2. MCRD is located downgradient and crossgradient from the site in terms of groundwater flow.

Our review of the environmental database report also indicated that several facilities that pose a potential environmental concern to the subject site are located at 4297 Pacific Highway (General Dynamics/SPAWAR). This address is listed on several databases searched, including the State Sites, CERCLIS, RCRA-NLR, RCRA GNRTR, and ERNS lists. Sites appearing on databases located at this address are not discussed in detail in the sections below, for the following reasons:

1. The United States Navy has been identified as the responsible party and has an established ongoing investigation/remediation program for all environmental sites of concern identified at the facility; and

2. This facility is not listed as having open LUST cases and does not appear on the NPL list.

Based on the above information, it is Ninyo & Moore's opinion that there is a low likelihood that the facilities listed in the environmental database that are located within MCRD and at 4297 Pacific Highway present a significant environmental concern to the subject site.

The database search identified several surrounding properties of potential environmental concern. In addition, 32 unmapped properties were identified on the site and in the vicinity of the site. One of these unmapped properties, identified as the Mission Bay Landfill, is listed on the SWL and Permits databases, and is discussed below. Based on the address information provided for the remaining properties, and/or the types of databases on which these properties are listed, there is a low likelihood that the environmental integrity of the site has been adversely affected by these off-site sources.

The following paragraphs describe the databases that contain noted properties of environmental concern, and include a discussion of the regulatory status of the facilities and potential environmental impact to the subject site.

United States Environmental Protection Agency, Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) List

The CERCLIS database contains properties which are either proposed or on the National Priorities List (NPL), and properties which are in the screening and assessment phase for possible inclusion on the NPL. Properties identified by the USEPA which may have the potential for releasing hazardous substances into the environment are listed in this database. Four facilities, reportedly located within the site boundaries, appear on the CERCLIS list. See Table 4 for a summary of information provided regarding these facilities.

USEPA, Resource Conservation and Recovery Act (RCRA) Generator (GNRTR)

This database identifies USEPA-listed facilities that report generation of reportable quantities (>100 kilograms) of hazardous waste under the RCRA program for the identification and tracking of hazardous waste. The list consists of properties that generate hazardous waste, and is not necessarily indicative of sites where a release of hazardous substances has occurred. Fifty-one facilities, reportedly located within the site boundaries or within 200 feet of the site, appear on the RCRA GNRTR list. Of these 51 facilities, 37 do not appear on a database that reports unauthorized releases of hazardous substances. In addition, three of the remaining facilities are located outside the search radius (greater than 200 feet from the site), and one is a duplicate record. For these reasons, there is a low likelihood that these 41 facilities present an environmental threat to the subject site at the present time. See Table 4 for a summary of information provided regarding the remaining 10 facilities.

United States Environmental Protection Agency, Resource Conservation and Recovery Information System (RCRIS), No Longer Regulated (NLR)

This database identifies USEPA-listed facilities that report generation of reportable quantities (>100 kilograms) of hazardous waste per month or do not meet other RCRA requirements. These facilities are no longer regulated. A listing on this database is not necessarily indicative of facilities where a release of hazardous substances has occurred. Six facilities, reportedly located with the site boundaries or within 200 feet of the site, appear on the RCRA NLR list. Of these six facilities, five do not appear on a database that reports unauthorized releases of hazardous substances. See Table 4 for a summary of information provided regarding the remaining facility.

United States Environmental Protection Agency, Emergency Response Notification System (ERNS)

The ERNS is a national database used to collect information on reported releases of oil and hazardous substances. The database contains information from spill reports made to federal authorities, including the USEPA, the United States Coast Guard, the National Response Center, and the Department of Transportation. The ERNS list contains records beginning in October 1986. Seven properties, reportedly located with the site boundaries or within 200 feet of the site, appear on the ERNS list. One of these facilities is located outside the search radius (greater than 200 feet from the site). See Table 4 for a summary of information provided regarding the remaining six facilities.

Department of Toxic Substances Control, States Sites List

The California EPA Department of Toxic Substances Control (DTSC) maintains a database of information on properties in California where hazardous substances have been released, or where the potential for such release exists. The types of properties in the State Sites database are categorized as Annual Work Plan, Backlogged Properties, Certified/De-listed Sites, No Further Action, Preliminary Endangerment Assessment in Progress, Removal Action Required, Expedited Remedial Action Program, Voluntary Cleanup Program, Deed Restricted Properties, and Referred Properties. Four properties reportedly located within the site boundaries appear on the State Sites list. See Table 4 for a summary of information provided regarding these facilities.

State Water Resources Control Board/s (SWRCB), SLIC (SPILLS) Lists

The nine RWQCBs each maintain reports of facilities that have records of spills, leaks, investigation, and cleanups for areas in their jurisdiction. One property, reportedly located within the site boundaries, appears on the SPILLS list. See Table 4 for a summary of information provided regarding this facility.

Multiple Agency, State of California Solid Waste Landfill (SWL) List

As legislated under the Solid Waste Management and Resource Recovery Act of 1972, the California Integrated Waste Management Board (CIWMB) maintains the Solid Waste Information System (SWIS) which lists certain facilities (e.g., active solid waste disposal sites, inactive or closed solid waste disposal sites, and transfer facilities). The SWRCB maintains the Waste Management Unit Database System (WMUDS). This database is no longer updated. It tracked management units for several regulatory programs related to waste management and its potential impact on groundwater. Listings on these databases are not necessarily indicative of sites where a release of hazardous substances has occurred. Note: these databases contain poor facility location information for many sites in the *FirstSearch*™ reports. Two properties, one reportedly located adjacent to the north of Subarea A, and the second reportedly located within the site boundaries, appear on the SWL list. See Table 4 for a summary of information provided regarding these facilities.

County of San Diego Department of Environmental Health, HE17/58 (PERMITS)

This list identifies businesses that have been issued permits, and tracks the status of their permits in relation to compliance with federal, state, and local regulations that the DEH oversees. It also tracks facilities that use hazardous materials or generate hazardous wastes in quantities that require regulation by the DEH. These businesses report quantities of hazardous materials used, and hazardous wastes generated and stored for tracking purposes, and are subject to inspection by DEH officials. These properties are not necessarily indicative of facilities where a release of hazardous substances has occurred. Two hundred seventy facilities, reportedly located with the site boundaries or within 200 feet of the site, appear on the PERMITS list. Those facilities appearing on a database(s) that reports unauthorized releases of hazardous substances are described in the appropriate sections within Table 4.

Underground Storage Tank (UST) and Aboveground Storage Tank (AST) Registration List

UST and AST databases are provided by the SWRCB. Inclusion on these lists is for permitting purposes and is not necessarily indicative of a release. Sixty-five facilities, reportedly located with the site boundaries or within 200 feet of the site, appear on the UST/AST list. Of these 65 facilities, 3 are located outside the search radius (greater than 200 feet from the site), 1 is a duplicate record, and 21 do not appear on a database(s) that reports unauthorized releases of

hazardous substances. See the Leaking Underground Storage Tank (LUST) section, below, and Table 4 for a summary of information provided regarding the remaining 40 UST/AST facilities at which a release has occurred.

Multiple Agency, Leaking Underground Storage Tank (LUST) List

The Leaking Underground Storage Tanks Information System (LUSTIS) is maintained by the SWRCB, pursuant to Section 25295 of the Health and Safety Code. In addition, in San Diego County are sites within 200 feet of the subject property that fall under the jurisdiction of the Local Oversight Program for unauthorized releases by the DEH ("County LUST"). One hundred six facilities, reportedly located with the site boundaries or within 200 feet of the site, appear on the LUST list. Of these 106 facilities, 94 were identified as closed LUST cases, duplicate records, and/or located outside the search radius (greater than 200 feet from the study area). In addition, two facilities were listed as open LUST cases. However, based on information obtained from the DEH, these two cases are closed. The remaining 10 open LUST facilities are located within the site boundaries. See Table 4 for a summary of information provided regarding the remaining 10 facilities and the 2 closed LUST cases that reportedly were open.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
State Sites List							
Sackett & Pendlebury Boat Builders 3630 Hancock Street San Diego, California 92110	6		✓			N	The *FirstSearch*™ report indicates that, as of February 8, 1991, there was no evidence of handling of hazardous substances at this facility, and no further action was recommended. As of October 28, 1994, this facility does not require Department of Toxic Substances Control (DTSC) action or oversight activity. The investigation was transferred to another agency. This facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site
Don Pollock Excavating, Inc. 3366 Kurtz Street San Diego, California 92110	68		✓			N	The *FirstSearch*™ report indicates that, as of October 25, 1994, this facility does not require DTSC action or oversight activity. The investigation was transferred to another agency. This facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
The Burke Co. 3870 Houston Street San Diego, California 92110	2		✓			N	The *FirstSearch*™ report indicates that, as of November 17, 1994, this facility does not require DTSC action or oversight activity. This facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
Boyce Industries 3344 Kurtz Street San Diego, California 92110	67		✓			N	The *FirstSearch*™ report indicates that, as of August 9, 1989, there was no evidence of contamination at this facility, and no further action was required. As of October 28, 1994, this facility does not require DTSC action or oversight activity. This facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
CERCLIS List							
Burke Co The 08 3870 Houston Street San Diego, California 92110	2		✓			N	The *FirstSearch*™ report indicates that a preliminary assessment of this facility was completed in November 1988. This facility was not listed on the NPL, and no further remedial action was planned. In addition, this facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
Don Pollock Excavating 3370 Kurtz Street San Diego, California 92110	3		✓			N	The *FirstSearch*™ report indicates that a preliminary assessment of this facility was completed in November 1988. This facility was not listed on the NPL, and no further remedial action was planned. In addition, this facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
Fogerty Oil Company 3148 Midway Drive San Diego, California 92110	4			✓		N	The *FirstSearch*™ report indicates that a preliminary assessment of this facility was completed in March 2000. This facility was not listed on the NPL, and no further remedial action was planned. In addition, this facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
Sackett & Pendlebury Boat Builders 3630 Hancock Street San Diego, California 92110	6		✓			N	The *FirstSearch*™ report indicates that a preliminary assessment of this facility was completed in May 1990. This facility was not listed on the NPL, and no further remedial action was required. In addition, this facility is not listed on any database that reports unauthorized releases of hazardous materials. For this reason, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
LUST List							
Loma Portal Head Start Preschool 2905 Cadiz Street San Diego, California 92110	265				✓	Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in January 2001. Reportedly, this case is an open LUST case. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.
Texaco Refining and Marketing 3711 Camino Del Rio West San Diego, California 92110	231		✓			N	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in March 1998. Waste oil was released into the soil. Reportedly, a preliminary site assessment is underway. However, based on information obtained from the DEH, this LUST case is closed. In addition, two other tank releases were reported for this facility. However, these releases are listed as "case closed." Based on the closed status of the cases, this facility is not considered to be an environmental concern to the site. Refer to Section 7 for further details regarding this facility.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
SDCTY-Fire Station #20 3305 Kemper Street San Diego, California 92110	215			✓		Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in July 1985 and March 1992. Reportedly, these cases are open LUST cases. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.
Golden Chariot Trucking 3495 Kurtz Street San Diego, California 92110	147		✓			N	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in April 2001. Reportedly, this case is an open LUST case. However, based on information obtained from the DEH, this LUST case is closed. Based on the closed status of this case, this facility is not considered to be an environmental concern to the site. Refer to Section 7 for further details regarding this facility
Complete Auto Services 2844 Lytton Street San Diego, California 92110	24				✓	Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in June 1997. Gasoline was released into the soil. Reportedly, a preliminary site assessment is underway. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.
Arco Service Station 2940 Lytton Street San Diego, California	188				✓	Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in July 1986. Gasoline was released. Reportedly, remedial action is underway. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.
Chevron USA Inc. SS #92239 2959 Midway Drive San Diego, California 92110	16				✓	Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in September 1993. Gasoline was released. Reportedly, a preliminary site assessment is underway. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. In addition, one other tank release was reported for this facility. However, this release is listed as "case closed," and is, therefore, not considered to be an environmental concern to the site. Refer to Section 7 for further details regarding this facility.
First San Diego Properties 3146 Midway Drive San Diego, California 92110	262			✓		Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in November 1993. Gasoline was released. Reportedly, a preliminary site assessment is underway. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
Parsley-Kennedy, Inc. 3148 Midway Drive San Diego, California 92110	4			✓		Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in June 1984. The release occurred to groundwater. Reportedly, this case is an open LUST case. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. In addition, one other tank release was reported for this facility. However, this release is listed as "case closed," and is, therefore, not considered to be an environmental concern to the site. Refer to Section 7 for further details regarding this facility.
Public Auto Service 4350-4360 Pacific Highway San Diego, California 92110	13				✓	Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in August 1997. Gasoline was released into the soil. Reportedly, a preliminary site assessment is underway. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. In addition, one other tank release was reported for this facility. However, this release is listed as "case closed," and is, therefore, not considered to be an environmental concern to the site. Refer to Section 7 for further details regarding this facility.
Genie Car Wash 3949 West Point Loma Blvd. San Diego, California 92110	145			✓		Y	The *FirstSearch*™ report indicates that a tank release for this car wash/oil change facility was discovered in December 1994. Gasoline was released into the soil. Reportedly, a preliminary site assessment workplan has been submitted. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.
Dewey Elementary School 3251 Rosecrans Street San Diego, California 92110	257				✓	Y	The *FirstSearch*™ report indicates that a tank release for this facility was discovered in August 1997. Diesel was released into the soil. Reportedly, a preliminary site assessment is underway. Based on this information, there is a moderate to high likelihood that this facility has adversely affected the environmental integrity of the subject site. Refer to Section 7 for further details regarding this facility.
RCRIS-NLR List							
Loma Riviera Unocal 76 4049 West Point Loma Blvd. San Diego, California 92110	58			✓		N	The *FirstSearch*™ report indicates that no violations were reported for this facility. This facility is also listed on the LUST database with a "case closed" status. Based on this information, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
Spills List							
Rosecrans Center Project 3740 Rosecrans Street San Diego, California 92110	69		✓			N	During the site reconnaissance, a small strip shopping center was observed at this address. The *FirstSearch*™ report indicates that a spill occurred at this facility. However, details regarding the spill were not available. A review of DEH files revealed that, in November 1987, a flooded 500-gallon waste oil tank overflowed due to rainwater seeping into the tank system. An oil/water mixture was observed ponding throughout the service bay area of the former Sports Arena Dodge facility. Based on the length of time that has passed since the spill occurred, and the fact that the site has since been redeveloped as a shopping center, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
SWLF List							
ABT Tires 3540 Rosecrans Street San Diego, California 92110	70			✓		N	During the site reconnaissance, this facility was observed to be a small retail automobile tire facility. The *FirstSearch*™ report indicates that this facility is a waste tire location. A review of DEH files revealed that no violations have been reported for this facility. Based on the nature of the business, the size of the facility, and the fact that no violations have been reported for this facility, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
Mission Bay Landfill Mission Bay - Sea World Drive San Diego, California 92109	Unmapped	✓				Y	The *FirstSearch*™ report indicates that this facility is a 115-acre, Category B landfill that handled non-hazardous solid wastes and solid wastes. Refer to Section 5 for additional information regarding this facility.
ERNS List							
Ryder School Bus Division Merger of I-5 and I-8 San Diego, California 91120	60		✓			N	The *FirstSearch*™ report indicates that a spill was reported in the I-5 and I-8 area on May 4, 1994 due to equipment failure. The material spilled was 18 quarts of motor oil. The spill was reported to have occurred on the land, and was cleaned up by Caltrans. Based on the time that has elapsed since the spill occurred, the volume of material spilled, and the reported clean-up of the spilled material, there is a low likelihood that this spill has adversely affected the environmental integrity of the subject site.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
San Diego Gas and Electric 3844 Midway Drive San Diego, California 92110	61			✓		N	The *FirstSearch*™ report indicates that a spill was reported at this facility on December 31, 1995. The spill occurred due to a truck running into a pad-mounted electrical transformer. The material spilled was 20 gallons of transformer oil. The spill was reported to have occurred on the land, and affected a storm drain. A hazardous materials team was contacted for clean up of the spill. Based on the time that has elapsed since the spill occurred and the volume of material spilled, there is a low likelihood that this spill has adversely affected the environmental integrity of the subject site.
Unknown 3800 Camino Del Rio W. San Diego, California 92110	62		✓			N	The *FirstSearch*™ report indicates that a spill occurred at this facility. However, details regarding the spill were not available. In addition, the DEH reports that there are no records on file for this facility. Based on the fact that this facility is not listed on another database that reports unauthorized releases of hazardous materials, and records are not on file at the DEH, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
Unknown 3200 Hancock Street San Diego, California 92110	63		✓			N	The *FirstSearch*™ report indicates that a spill occurred at this facility. However, details regarding the spill were not available. In addition, the DEH reports that there are no records on file for this facility. Based on the fact that this facility is not listed on another database that reports unauthorized releases of hazardous materials, and records are not on file at the DEH, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
Unknown 4200 Taylor Street San Diego, California 92110	65		✓			N	The *FirstSearch*™ report indicates that a spill occurred at this facility. However, further details regarding the spill were not available In addition, the DEH reports that there are no records on file for this facility. Based on the fact that this facility is not listed on another database that reports unauthorized releases of hazardous materials, and records are not on file at the DEH, there is a low likelihood that this off-site property has had an adverse environmental affect on the subject site.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
Unknown 3992 Rosecrans Street San Diego, California 92110	66			✓		N	The *FirstSearch*™ report indicates that a spill occurred at this facility. However, further details regarding the spill were not available. A review of DEH records identified this facility as the City of San Diego General Services Storm Station #D. According to DEH records, a November 1990 inspection revealed that one hazardous waste storage container and one 55-gallon drum of an unknown liquid were leaking, causing soil contamination. In 1992, this facility no longer stored hazardous materials and wastes on site, and no violations were reported. The facility was inactivated. Based on the fact that no violations were reported for this facility following the 1990 DEH inspection, and the facility is listed as inactive, there is a low likelihood that this property has had an adverse environmental affect on the subject site.
RCRA Generators List							
Alan Johnson Porsche Audi 3663 Rosecrans Street San Diego, California 92110	8			✓		N	The *FirstSearch*™ report indicates that this facility is a small-quantity generator (SQG). Reportedly, two "generator general requirements" violations are on record for this facility. Based on the nature of the facility (a SQG), and the nature of the violations (i.e., not spill related), there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
The Burke Co. 3870 Houston Street San Diego, California 92110	2		✓			N	The *FirstSearch*™ report indicates that this facility is a SQG. Reportedly, no violations are on record for this facility. Based on the nature of the facility (a SQG), and the fact that no violations were reported, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
Causway Cleaners & Laundry 3426 Midway Drive San Diego, California 92110	15			✓		N	The *FirstSearch*™ report indicates that this facility is a SQG. Reportedly, no violations are on record for this facility. Based on the nature of the facility (a SQG), and the fact that no violations were reported, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
Chevron USA Inc. SS#92239 2959 Midway Drive San Diego, California 92110	16				✓	Y	The *FirstSearch*™ report indicates that this facility is a SQG. Other details are not available. This facility is also listed on the LUST list as having one open LUST case. Refer to the LUST section below for further details regarding this facility.
Hawley Auto Body and Frame 2844 Lytton Street San Diego, California 92110	24				✓	Y	The *FirstSearch*™ report indicates that this facility is a SQG Reportedly, no violations are on record for this facility. However, this facility is also listed on the LUST list as having one open LUST case. Refer to the LUST section below for further details regarding this facility.

Table 4 – Summary of *FirstSearch*™ Sites of Potential Environmental Concern

Address	*First-Search*™ Map ID	Subarea [1]				Potential Environmental Concern (Y/N)[2]	Comments
		A	B	C	D		
Nielsen Dillingham Builders, Inc. 3127 Jefferson Street San Diego, California 92110	35		✓			N	The *FirstSearch*™ report indicates that this facility is a SQG. Reportedly, no violations are on record for this facility. Based on the nature of the facility (a SQG), and the fact that no violations were reported, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
Peck Jeep Eagle Inc. dba Midway Jeep Eagle 3005 Midway Drive San Diego, California 92110	40			✓		N	The *FirstSearch*™ report indicates that this facility is a SQG. Reportedly, no violations are on record for this facility. In addition, the site reconnaissance revealed that this business is no longer operating at this address. Based on the nature of the facility (a SQG), and the fact that the business is no longer operating, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
Sea Breeze Cleaners 3555 Rosecrans Street Suite 103 San Diego, California 92110	47				✓	N	The *FirstSearch*™ report indicates that this facility is a SQG. Reportedly, no violations are on record for this facility. Based on the nature of the facility (a SQG), and the fact that no violations were reported, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
Armored Transportation of CA 3610 W. Barnett Avenue San Diego, California 92110	10		✓			N	The *FirstSearch*™ report indicates that this facility is a SQG. Reportedly, two "generator general requirements" violations are on record for this facility. In addition, the site reconnaissance revealed that this business is no longer operating at this address. Based on the nature of the facility (a SQG), the nature of the violations, and the fact that the business is no longer operating, there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.
USPS Vehicle Maintenance Facility 2535 Midway Drive San Diego, California 92110	52				✓	N	The *FirstSearch*™ report indicates that this facility is a small-quantity generator (SQG). Reportedly, three "generator general requirements" violations are on record for this facility. Based on the nature of the facility (a SQG), and the nature of the violation (i.e., not spill related), there is a low likelihood that this facility has adversely affected the environmental integrity of the subject site.

NOTES:

[1] Sites appearing in this table are located either within the boundaries of the subarea, or within 200 feet of the subarea.

[2] The Environmental Concern determination is based on a review of information contained in the *FirstSearch*™ report, information obtained from regulatory agencies, and/or information contained in Table 3.

ENVIRONMENTAL REGULATORY AGENCY INQUIRIES AND DOCUMENT REVIEW

Information regarding properties of potential environmental concern within the site boundaries and within 200 feet of the site was requested from the DEH (Appendix C). In addition, the City of San Diego Solid Waste Local Enforcement Agency (LEA) was contacted regarding two former landfills, identified as the Mission Bay Landfill and the Sports Arena Landfill (Figure 2). The Mission Bay Landfill was located adjacent to the north of the study area, west of Interstate 5. The Sports Arena Landfill was formerly located in Subarea B in the vicinity of the San Diego Sports Arena. According to Ms. Rebecca Lafreniere, Environmental Health Specialist, the approximate location of the Sports Arena Landfill includes the area adjacent to the northeast of Midway Drive from Wing Street to West Point Loma Boulevard, and extends northeast, encompassing the San Diego Sports Arena facility. This landfill reportedly was utilized by the City of San Diego for trash disposal from approximately 1899 to 1908. Ms. Lafreniere stated that additional information regarding this landfill is not available due to the fact that the area where the landfill was formerly located is presently occupied with asphalt-paved areas and structures. Therefore, further investigation of this landfill is not planned until the land use changes and requires exposing the soil in this area.

Regarding the Mission Bay Landfill, formerly located adjacent to the north of the San Diego River Floodway and west of Interstate 5, Ms. Lafreniere stated that this landfill operated from approximately 1952 to 1959. She added that this landfill is classified as a hazardous waste site. She stated that groundwater and sediment sampling have been performed in the vicinity of the landfill. However, she is not aware of soil sampling events having been performed at the landfill. She did report that soil sampling was likely to have been performed when this area was being investigated for development in the early 1980s. According to Ms. Lafreniere, a request for proposal has been released, requesting information from companies in regard to performing a site assessment that includes determining the horizontal and vertical extent of contamination and identifying the average and maximum concentrations of any chemical contaminants at the landfill.

Various documents and reports regarding the former Mission Bay Landfill were reviewed by Ninyo & Moore at the LEA, and are summarized below. Copies of pertinent documents are included in Appendix D. However, Ms. Lafreniere indicated that the records reviewed were only a portion of what they have on file, as not all of their files have been unpacked since their recent move to a new office. She further stated that additional information regarding groundwater contamination at this landfill is on file at the RWQCB.
The following information regarding the former Mission Bay Landfill was provided from an article appearing in the July 20**,** 2000 *San Diego Reader***.**

Between July 1952 and December 1959, the City of San Diego operated a landfill in Mission Bay Park. During its operation, the Mission Bay landfill served as receiving grounds for millions of gallons of industrial wastes being produced by San Diego's aerospace industry. In some cases, these toxic substances were buried in steel drums. Other times they were poured into unlined holes 15 to 20 feet deep, below the level of the groundwater.

A report written in February 1957 by the assistant chief plant engineer for Convair asserted that a majority of the aerospace manufacturer's "process solutions" were being hauled and dumped "into the sanitary fill in the Mission Bay area." (The first laws regulating toxic-waste disposal were not enacted until the 1970s.) The plant engineer estimated that for 1957 through 1962 those deposits would amount to some 200,000 gallons annually of such substances as chromic, hydrofluoric, nitric, sulfuric, and hydrochloric acids; alkaline solutions; and paint and oily wastes.

By the summer of 1983, the city was concentrating on development on the Mission Bay site of what was to be one of the biggest hotels in San Diego County. Known as the Ramada Renaissance Resort, the project was to include 638 rooms, tennis courts, swimming pools, racquetball courts, restaurants, and banquet rooms. An adjoining 20-acre, $1.4 million public park was planned. Revenues to the city were predicted to be more than a million dollars a year. One week before Ramada was due to sign the lease, a news announcement brought development plans to a halt. On July 20, 1983, a local television station reported the revelations of an anonymous source who claimed to have been a truck driver during the l950s. According to subsequent newspaper reports, the source said he had dumped hundreds of barrels of the carcinogen carbon tetrachloride at the Mission Bay landfill.

Based on this information, Woodward-Clyde Consultants, a geophysical and environmental firm with experience in city-funded projects, was hired to conduct an investigation of the site. Woodward-Clyde had done at least two previous studies for the city at the Ramada project site. Early in 1980 the consulting firm had dug test pits in an effort to define the boundaries and composition of the old dump. (The dump had been covered with material dredged up when Mission Bay was being created between 1960 and 1962.) Woodward-Clyde had concluded in a 1980 letter to the city that the property was "suitable for development" but had cautioned, "Special treatment of near-surface soils and underlying trash fill areas may be necessary...."

Evidently, Woodward-Clyde had not tested for toxic wastes in 1980, but the 1983 study was to make up for that. The study was to ascertain whether any hazardous materials were present at or near the landfill, and, if so, what their concentrations were. Woodward-Clyde proposed to collect groundwater from 20 wells to be drilled on and near the landfill site. Cover soil, landfill material, and underlying alluvium extracted from 21 boring sites would be scrutinized, and gases from 10 wells would be examined. Another consulting firm. Science Applications, Inc., would study surface water and sediment from Mission Bay and the San Diego River flood-control channel, two bodies of water that adjoin the landfill to the north and south. Woodward-Clyde was to assess whether any remedial measures or further field research was necessary.

Sample collection began in late August and early September 1983. Woodward-Clyde also began burrowing into old files. Documents from those files indicated that the toxic waste being dumped into the Mission Bay landfill in the 1950s exceeded Convair's (1957) estimate of 200,000 gallons per year. One report attached to a 1958 letter from the superintendent of the City's sewerage division to the City Manager estimated that four companies (Convair, Ryan, Rohr, and Astronautics) each year were generating 792,000 gallons of chromic, hydrofluoric, nitric, sulfuric, and hydrochloric acids; dichromate; cyanide; and paint and oil wastes. Other projections from this period refer to the need to dispose of at least one million gallons a year of industrial wastes. Contemporaneous documents state that some substances were going into the city sewers and the sea, as well as being dumped at the sites where they were generated or trucked to

disposal facilities in the North County or Los Angeles. However, the Mission Bay landfill received most of the poisonous wastes, according to the reports; several documents describe the facility as San Diego's only Class I landfill. (A Class I landfill is approved to receive toxic wastes.)

Woodward-Clyde released its study results on November 17, 1983. The consultants stated that "the total volume of hazardous waste being generated in San Diego during the late 1950s was less than 400,000 gallons/year." If three-quarters of this amount went into the Mission Bay landfill over its seven and a third years of operation, then the old dump would have received 2.2 million gallons of toxic waste, they concluded. (Stephen Lester, science director for the Center for Health, Environment, and Justice in Falls Church, Virginia, when contacted for this article, stated that "Most of the chemicals that are dumped in these landfills pretty much stay undegraded in the ground for tens and even hundreds of years.")

Magnetic and electromagnetic surveys revealed that the site harbored perhaps 5,000 pounds of metal per acre, most of it at or below the water table. This confirmed old eyewitness accounts that metal barrels of industrial wastes had been buried there. "At those depths (15 to 20 feet below the surface) most metallic drums or barrels should corrode to release their contents in less than ten years," the report said. Woodward-Clyde used the results of the magnetic surveys to decide where to bore for samples. But rather than choosing places where the most metal appeared to be concentrated, the consultants selected areas with "only moderate probabilities of containing barrels or barrel residues," according to the report. This was done "in order to limit the potential for rupturing any intact barrel during the field investigation." Even so, the subsequent chemical analyses found more than 60 Environmental Protection Agency "priority pollutants" on the property, including 12 heavy metals (elements such as mercury and arsenic), 38 organic compounds such as acetone and carbon tetrachloride, and 12 pesticides.

Despite this, Woodward-Clyde reassured the city that the resort development could proceed. The highest concentrations of pollutants found in the study "are low," the report announced, "and do not exceed existing California State or Federal criteria for the identification of hazardous waste." The low concentrations coupled with "the low potential for their migration, and the few pathways for human exposure" meant that "the landfill wastes do not pose a significant health hazard to humans." Semi-annual testing of the bay and flood-control-channel waters adjacent to the landfill should continue "for an indefinite period," they recommended, and they warned that if development proceeded, landfill gases might be released. These would need to be collected and disposed of. However, no significant cleanup was necessary, according to Woodward-Clyde.

The USEPA’s awareness of the landfill apparently began around February 1984. At that time, the agency entered the Mission Bay landfill into an inventory of potential hazardous substance sites. An EPA evaluator gave the site a preliminary scoring to determine candidacy for the National Priorities List. This list is made up of waste sites known to have released hazardous materials to the environment and those posing a threat of such releases. Inclusion on it doesn't guarantee that the site will get Superfund monies for a cleanup, but it's a start. (The Superfund legislation, created by Congress in 1980, taxes chemical and petroleum industries to pay for finding, investigating, and cleaning up the nation's most hazardous waste sites.)

In its preliminary evaluation, the Environmental Protection Agency relied on the 1983 Woodward-Clyde report to assess the site. Although the evaluator gave the maximum number of

points for quantity of materials deposited on the site and for toxicity, the score came to 1.40 out of a possible 100. (To get on the National Priorities List, a site must score 28.5.)

In November 1989, another Environmental Protection Agency-funded assessment was conducted, and this one concluded that the landfill might be eligible for the National Priorities List. A report judged the potential for contamination of the surface water to be high, based on three factors: the landfill's proximity to Mission Bay, the quantity of waste, and the lack of containment of landfill materials. A contaminant release to the air was deemed possible.

In June 1990, the landfill underwent scoring according to a revised Environmental Protection Agency system. This time, according to a memorandum dated June 29, 1990, the evaluator discounted the groundwater (since no one would be drinking the brackish groundwater near the landfill). However, the old dump received positive scores for the air, surface-water, and "on-site exposure." The Mission Bay landfill's score came to 61.61, a number that placed it among the 50 most polluted hazardous waste sites in the country. A separate Environmental Protection Agency document appeared to elevate the landfill to "high priority."

In 1991, the San Diego dump site underwent an expanded Environmental Protection Agency-funded evaluation, scrutiny generally reserved (according to an agency publication) for sites "clearly headed for the NPL [National Priorities List]." This time, according to a September 25, 1991, memo, the evaluator gave the site a score of 49.06, lower than the previous score but above the cut-off for the priority listings. An accompanying memo criticized methods used by the City of San Diego and Woodward-Clyde. The memo said that the city and its consultants had used "detection levels" (for pollutants) that were so high they exceeded the Marine Ambient Water Quality Criteria. (Reporting that a substance cannot be detected above a certain level creates a sense of well-being but may mask contamination if the detection limit is too high.)

One more significant Environmental Protection Agency evaluation transpired at the landfill. In 1993, the agency hired Bechtel Environment, Inc., to evaluate the San Diego site. The Bechtel evaluator conducted no new tests, but in a report dated August 2, 1993, he judged only the air contamination potential to be significant. Groundwater, surface water, and soil offered no potential for transmitting the contamination in this evaluator's opinion. Nor did he explain why his opinion differed from previous evaluations. The old landfill's overall score thus amounted to only 14.01—too low to qualify for inclusion on the National Priorities List. The Environmental Protection Agency reacted swiftly. It placed the site in its archive, where no further action was planned.

Miller of the toxic cleanup group says calls to the regional Environmental Protection Agency headquarters have yielded no explanation for the 1993 turnaround, so the citizen group this past March sent a letter to the agency’s regional director requesting a reevaluation. The agency since has invited Miller and his associates to submit information. They say they plan to send the Environmental Protection Agency a report about the misstated heavy-metal concentrations (in the 1983 Woodward-Clyde report) and concerns about fish contamination, along with test results about which they think agency officials may be ignorant.

The members of Miller's group say that testing at and near the landfill over the last 15 years has yielded findings of other elevated pollutants. They cite a 1996 report written by a city consultant named EMCON that summarized concentrations of mercury found near the landfill between

1985 and 1995. The sampling reported amounts that were 17 to 600 times greater than the federal fishing-water standard.

The following information was excerpted from an article appearing in the June 10, 2002 *San Diego Union Tribune.*

Mission Bay landfill was constructed in the 1950s by digging 8-to-12-foot trenches. When it was full, 15 to 20 feet of sediment dredged from Mission Bay covered it. The City of San Diego is proposing to conduct a new study of the Mission Bay landfill. A study conducted by Woodward-Clyde in 1983 indicated that some of the estimated 2 million gallons of waste deposited at the Mission Bay landfill could be a source of contamination when barrels that had not corroded at the time of the 1983 study break down. The report stated that "The primary organisms that would be at risk appear to be the aquatic organisms inhabiting Mission Bay and the San Diego River channel."

Monitoring tests conducted in 2001 and this year by consultants for the RWQCB found high concentrations of arsenic in groundwater obtained from some wells constructed in the landfill. The tests also found cis-1,2-DCE, a chemical related to industrial solvents, vinyl chloride, and acetone.

In addition to the above articles, various documents and reports pertaining to the Mission Bay Landfill were on file at the LEA. The documents, dating back to 1957, indicate that the City of San Diego operated the unregulated landfill from July 1952 to December 1959. The landfill reportedly received approximately 25,000 cubic yards of Class II and Class III wastes on a monthly basis. In addition, part of the site reportedly was used as an unrestricted Class I landfill. Hazardous industrial wastes, such as waste acids, metal wastes, carbon tetrachloride, methyl ethyl ketone, toluene, alkaline solutions, organic solvents, contaminated machine oils, and paint waste are reported to have possibly been disposed at the landfill. It is indicated that up to 13,400 barrels potentially containing up to 737,000 gallons of industrial waste may be present. These wastes were dumped into approximately 15-foot deep trenches then covered with 3 to 4 feet of cover. Three reports that provide groundwater, surface water, and sediment data collected from the landfill and nearby areas are discussed below.

A Site Inspection Prioritization (SIP) was performed by Bechtel Environmental, Inc. (Bechtel) in 1993. The SIP indicates that surface water and sediment monitoring performed between 1985 and 1991 indicate that "concentrations of all constituents in surface water and sediment samples appeared to be fairly consistent." The analyses of surface water samples from three locations in Mission Bay revealed "maximum concentrations of chromium at 60 μg/ℓ, copper at 90 μg/ℓ, and total halogenated volatile organic compounds [VOCs] at 31.3 μg/ℓ." Surface water samples collected from five San Diego River sampling areas "revealed maximum concentrations of chromium at 60 μg/ℓ, copper at 106 μg/ℓ, and total halogenated VOCs at 77.2 μg/ℓ. Sediment samples collected from Mission Bay indicated "maximum concentrations of chromium at 69 mg/kg and copper at 150 mg/kg." Sediment samples collected from the San Diego River "revealed maximum concentrations of chromium at 120 mg/kg and copper at 51 mg/kg."

Additional analytical data were provided in a 1995 engineering feasibility study performed by EMCON (EMCON, 1995). The report states that metals were detected in the on-site and off-site groundwater monitoring wells. As for surface water samples, more metals were detected during

November 1994 than have been historically detected. Only minor quantities of pesticides and semi-volatile organic compounds (SVOCs) have been detected at the facility. VOCs were detected during this monitoring period, with concentrations ranging from trace to 9.7 µg/ℓ. Bromoform was the only VOC reportedly detected in surface water at concentrations up to 1.50 µg/ℓ. As the VOC contamination in the groundwater and surface water reportedly were less than the MRLs, treatment of the contamination was not deemed necessary. However, because VOCs have historically been detected at higher concentrations than the MRLs, the continuation of groundwater monitoring was recommended.

A report titled "Groundwater Conditions in the Vicinity of Mission Bay Landfill," prepared by EMCON and dated September 27, 2001, was on file. According to the report, groundwater flow in the vicinity of the landfill generally flows north, toward Mission Bay, and is at an approximate depth of 20 to 25 feet below ground surface (bgs). Groundwater samples collected from Sea World wells (Sea World is located adjacent to the west of the landfill) and landfill wells were analyzed for VOCs, SVOCs, organochlorine pesticides (OCPs), chlorinated pesticides, polychlorinated biphenyls (PCBs), and metals. At Sea World, one well contained a SVOC concentration of 11.2 µg/ℓ. Fourteen metals were detected in one or more of the samples. As for the Mission Bay Landfill, none of the wells reportedly contained detectable concentrations of pesticides, herbicides, or PCBs. Trace concentrations of one SVOC (bis(2-ehtylhexyl)phthalate) were detected in four wells. This SVOC was also detected in one surface water sample collected from the San Diego River, at a concentration of 38.9 µg/ℓ. VOCs were detected in three wells, ranging in concentration from 1.7 to 13.0 µg/ℓ, which is reportedly consistent with historical trends. According to EMCON, the VOCs toluene and diethyl ether detected in groundwater samples from two landfill wells are likely from gasoline-powered boats used in Mission Bay rather than the landfill itself. Ten metals were also detected in one or more of the samples collected. Based on the analytical results, EMCON concluded that additional groundwater quality monitoring in the Sea World expansion area is not necessary, and the "landfill's existing monitoring network is considered adequate."

Information obtained from the DEH file review regarding open LUST cases and two closed LUST cases is provided below. Information pertaining to the remaining closed LUST cases is not discussed, as file documents indicate that these facilities are not a potential environmental concern to the study area. Copies of pertinent documents are included in Appendix D.

Loma Portal Head Start Preschool, 2905 Cadiz Street

This facility is located to the southwest of Cadiz Street and Rosecrans Place. According to a letter from Latham & Watkins, Attorneys at Law, to the DEH, dated January 12, 2001, strong hydrocarbon odors emanated from shallow soils and staining was observed at the preschool's playground during construction activities. This area of the playground is reportedly approximately 30 feet from Thrifty Transmission, addressed 2904 Lytton Street. The letter further states that the impacted area was tested in approximately 1995, during the construction of the playground. Constituents of concern were not detected at that time. However, two soil samples collected on January 5, 2001 indicate the presence of petroleum long-chain hydrocarbons at concentrations of less than 10 mg/kg and 2,684 mg/kg. Reportedly, these long-chain hydrocarbons are typically associated with waste oil and transmission fluids. The attorney concludes that this contamination has migrated from Thrifty Transmission to the playground, as the school reports that it has

never conducted any operations at the property that could result in this type of contamination.

A complaint was made to the DEH in January 2001, and the school and nearby automobile-related properties were investigated. The investigation states that a transmission facility, a car wash, and an auto body shop are located in the vicinity of the school. Nothing conclusive was found by the inspector during the visual inspection. A complete compliance history (i.e., regulatory agency file reviews) was not performed as part of this investigation.

A February 2001 subsurface site assessment and remediation report, prepared by Environmental Business Solutions, Inc. (EBS) states that concentrations of total petroleum hydrocarbons (TPH) in soil samples collected from the preschool property ranged from below laboratory detection limits to 17,200 mg/kg. In addition, one sample analyzed for VOCs detected traces of gasoline. Polynuclear aromatic hydrocarbons (PNAs) were also detected at concentrations less than 1 mg/kg. Excavation activities were performed in the area of contamination. The contaminated soil reportedly was hauled to an off-site facility. Some residual petroleum-hydrocarbon-bearing soil remains in and around the excavation area. A 10-mil plastic liner was used prior to backfilling the excavation with imported soil. A three- to four-foot deep concrete slurry wall was also installed.

The most current document on file for this facility is a letter from the DEH to Bradbeer Revocable Trust, dated February 13, 2001, states that the DEH reviewed the EBS site assessment report, and expects that additional work will be implemented at the property to complete a proper environmental assessment of the petroleum hydrocarbon release.

Texaco Service Station, 3711 Camino Del Rio West
This facility is located on the east side of Camino Del Rio West, between Hancock and Kurtz Streets. According to the DEH website, four LUST cases are reported for this facility. However, based on a file review at the DEH and discussions with Mr. Danny Martinez, a DEH representative, five LUST cases are associated with this facility, all of which are closed. Based on the closed status of the cases, this facility is not considered to be an environmental concern to the site.

City of San Diego Fire Station #20, 3305 Kemper Street
This facility is located on the northeast corner of Kemper Street and Midway Drive. Information from several documents on file for this facility is discussed below.

A Notice of Unauthorized Release was issued to this facility on July 11, 1985 when a UST used with an emergency generator was removed. A second Notice of Unauthorized Release was issued on March 3, 1992 when an approximately 550-gallon UST was removed.

A 4th Quarter 1994 Monitoring and Sampling Report, prepared by the City of San Diego and dated March 15, 1995, asserts that three groundwater monitoring wells were installed in March 1989. Laboratory analysis of groundwater sampling events in March,

April, June, September, and December 1989 revealed detectable hydrocarbon concentrations in only one of the monitoring wells during March 1989 sampling activities.

A Site Assessment Activities Report, prepared by EBS and dated November 19, 2001, states that approximately 22 cubic yards of hydrocarbon-contaminated soils were removed in the vicinity of the first tank release. Hydrocarbon concentrations of 31,800 mg/kg were reported in the remaining soils under the site building foundation; however, "no additional excavation of contaminated soils occurred due to concern for the structural integrity of the main building."

A Letter Report of Quarterly Groundwater Monitoring Events, prepared by EBS and dated August 23, 2002, indicated that a fourth groundwater monitoring well was installed in 2001. Laboratory analysis of groundwater sampling events in August and December 2001 and March and July 2002 revealed that hydrocarbon concentrations were not detected in three of the wells in the four sampling events. Trace levels of hydrocarbon, benzene, and ethylbenzene contamination were detected in one of the monitoring wells. EBS recommended that "The DEH consider issuing a No Further Action letter" for the two releases at this site.

A letter, dated September 25, 2002 from the City of San Diego to the DEH, indicates that the City anticipates a forthcoming case closure and plans to decommission the monitoring wells located at the property.

Golden Chariot Trucking, 3495 Kurtz Street
The environmental database report indicates that an open LUST case exists for this property. A review of the DEH website indicates that two LUST cases were opened on March 15, 2001 for two businesses (Golden Chariot Trucking and Loyola Trucking, Inc.) at this address. However, both of these cases are now shown as "closed" cases, and the establishments are listed as inactive. A DEH representative confirmed that there are no files pertaining to an open LUST case for this address. Based on this information, this facility is not considered to be an environmental concern to the site.

Hawley Auto Body & Paint, 2844 Lytton Street
This facility is located on the northeast side of Lytton Street, northwest of Saint Charles Street. A Hazardous Materials Management Permit Application, dated September 21, 1983, indicates that Hawley Auto Body & Paint has been at this address since 1960.

A Status Verification Request (Request), dated September 3, 1991, asserts that there were two permits for one facility. These facilities were identified as Hawley Auto Body & Frame at 2844 Lytton Street, and Hawley Automotive Service Center at 2902 Lytton Street. The Request further states that the Hawley Auto Body & Frame file was to be inactivated, and that the waste and inventory information was to be transferred to the other file.

Documents reviewed indicate that four USTs located at this property remained unused from 1993 to 1996. In June 1997, five USTs and associated piping were removed under

the observation of the DEH. The USTs removed included one 4,000-gallon diesel UST; one 4,000-gallon gasoline UST; one 5,000-gallon gasoline UST; one 6,000-gallon gasoline UST; and one 500-gallon waste oil UST. The initiation of corrective action measures was required by the DEH following the removal of the tanks and piping. Information regarding corrective action measures at this facility was not on file in the documents reviewed.

Arco Service Station, 2940 Lytton Street

This facility is located on the northeast corner of Lytton and Rosecrans Streets. According to a 1986 site investigation, prepared by Groundwater Technology (GT) (GT, 1986), five USTs were located at the property (one 12,000-gallon UST; two 6,000-gallon USTs; and two 4,000-gallon USTs. The initial soil investigation began due to a reported leak in one 4,000-gallon gasoline UST and one 6,000-gallon gasoline UST. Six boreholes were drilled, and a total of 18 soil samples collected from the boreholes were analyzed for TPH. TPH concentrations ranged from less than 1 to 11 mg/kg. GT concluded that, although the TPH concentrations provided are insignificant amounts, photoionization detector (PID) readings and field observations indicate a much higher level of hydrocarbons in the soil.

An additional site assessment report prepared by SECOR, and dated January 15, 1995, states that five USTs were removed from the property in February 1987. In April 1987, eight soil borings were drilled to determine whether contamination exists in the area of the former USTs. Five of these borings were converted to vapor extraction wells, and three were converted to groundwater monitoring wells. The report further states that a groundwater pump and treat system was installed at the property from late 1987 to December 1990. The purpose of this system was to remediate hydrocarbon-impacted soils. According to SECOR, in May 1992, five borings were drilled to check the status of the remediation activities. All of the soil samples analyzed reportedly contained TPH concentrations less than 1,000 mg/kg, the cleanup level established by SAM and the RWQCB. Upon receipt of these results, the vapor extraction system was replaced with a carbon adsorption system, which operated from March 1992 through February 1994. In October 1993, further assessment of the property was performed to determine the concentrations of hydrocarbons in the soil and groundwater. The additional assessment involved four borings and the installation of five groundwater monitoring wells. The samples collected and analyzed during the assessment reportedly contained a TPH concentration of less than 100 mg/kg. The SECOR report indicates that quarterly groundwater monitoring and sampling has been performed at this property since 1987. SECOR asserts that liquid-phase hydrocarbons were detected in one monitoring well in 1992, but have not been detected since that time. However, dissolved phase hydrocarbons were detected in five monitoring wells. In addition, benzene concentrations in three wells located on the property and two wells located in the vicinity of the property were reportedly above the regulatory action level of 21 $\mu g/\ell$ established for the property.

The 1995 SECOR report indicates that two borings were converted to groundwater monitoring wells for this assessment, and soil and groundwater samples were analyzed. The report states that TPH-gasoline (TPH-G) was below detection limits in the six soil

samples and two groundwater samples collected from the property. Additionally, benzene was reported at concentrations of 1.4 and 27 µg/ℓ. No conclusions were provided in the report.

Quarterly groundwater monitoring reports were on file from 1996 through 2002. According to the most recent report prepared by SECOR, dated May 2, 2002, no liquid-phase hydrocarbons were detected during this monitoring period. Groundwater samples were analyzed for TPH-G, benzene, toluene, ethylbenze, and xylenes (BTEX), and methyl tertiary butyl ether (MTBE). TPH-G was detected at concentrations ranging from less than 500 to 12,000 µg/ℓ. BTEX was detected in concentrations ranging from less than 0.50 to 1,400 µg/ℓ, and MTBE was detected in concentrations ranging from less than 1 to 11,000 µg/ℓ. In summary, the report concludes that the "analytical results for the first quarter 2002 appear to be consistent with data from previous reports." SECOR recommended the continuation of quarterly groundwater sampling and reporting, in addition to the removal of previously detected liquid-phase hydrocarbons.

Several work plans and work plan approvals were on file at the DEH, dating from 1992 through 1996. In addition, a UST Operating Permit was issued on November 14, 2001, for the operation of three 12,000-gallon gasoline USTs. The permit expires in July 2005. Other pertinent documents on file for this facility include two September 1999 RWQCB letters and correspondence between the DEH and SECOR. The RWQCB letters indicate that diesel fuel contamination may have migrated from an off-site source (possibly from this facility) and onto the adjacent Naval Training Center facility. The correspondence between the DEH and SECOR in July and August 2002 pertains to soil impacted by leaking dispensers. SECOR states that they recommend only one of five groundwater monitoring wells be installed on an adjacent property. SECOR further recommends the installation of on-site Geoprobe borings in the vicinity of the dispensers to assess soil contamination. DEH concurs with these recommendations, and requests a second well be constructed in the vicinity of the dispensers.

Chevron Service Station, 2959 Midway Drive

This facility is located on the southeast corner of Midway Drive and Rosecrans Street. Our review of DEH files indicated that three unauthorized release cases have been recorded at this property. The first release (H12451-001) was discovered in September 1992 during the removal of a leaking belowground hydraulic hoist, a 70-gallon hydraulic oil UST, and a trench connecting hoist to the tank. After removal of the noted equipment, soil samples were collected from the bottom and sidewalls of the associated excavation. In the hoist portion of the excavation, TPH was detected in the hydraulic oil range at depths up to 7.5 feet bgs. Soil samples collected from one-foot bgs in the trench portion of the excavation also contained detectable concentrations of TPH as hydraulic oil.

Remediation of the hydraulic oil-contaminated soil was accomplished by over excavation of the hydraulic equipment area. Confirmation samples collected from the sidewalls of the excavation revealed non-detect concentrations of TPH as hydraulic oil, and the area was subsequently backfilled. It should be noted that no documentation was

provided with respect to the disposal of contaminated soils. In addition, no documents indicating closure of this case by the DEH were noted in the file.

The second release (H12451-002) was discovered in 1993 during the removal a 1,000-gallon waste oil UST from the southern portion of the property. Phase-separated hydrocarbons (PSH) were observed on groundwater at approximately 8.5 feet bgs in the UST excavation. In addition, total recoverable petroleum hydrocarbons (TRPH) were detected in soil samples collected from the sidewalls of the UST excavation, and in borings beneath the UST's remote fill pipe. This unauthorized release case has not been closed to date.

The third release (H12451-003) was also discovered in 1993, during the removal and replacement of fuel product piping and dispensers at the property. Soil samples collected from beneath the product piping and dispensers revealed petroleum hydrocarbon contamination was present at the maximum depth sampled (8.5 feet bgs). No groundwater samples were reported to have been collected. This unauthorized release case has not been closed to date.

In order to further assess the extent of soil and groundwater contamination associated with the noted releases, four soil borings were drilled and converted to groundwater monitoring wells in late 2001 or early 2002. The most recent groundwater monitoring event for these wells, performed in April 2002, indicates that groundwater was present beneath the site at an approximate depth of nine feet bgs. The groundwater flow direction and gradient were reported to be north/northeast at 0.01 feet/feet. TPH-G was reported in two of the four wells at concentrations of 2,700 and 16,000 μg/ℓ. Benzene was reported in two of the four wells at concentrations of 480 and 3,900 μg/ℓ. MTBE was reported in three of the four wells at concentrations ranging from 150 to 920 μg/ℓ.

First SD Properties, 3146 Midway Drive

The environmental database report indicates that a UST release was discovered at this facility in November 1993. However, a representative of the DEH and the DEH website indicate that there are no records on file for this address. Based on the site reconnaissance and a DEH file review performed for 3148 Midway Drive, multiple addresses are associated with this property, including 3148 Midway Drive. Therefore, please refer to Section 7.1.9, below, for information regarding LUST cases associated with this facility.

Parsley-Kennedy, Inc., 3148 Midway Drive

This facility is located on the north side of Midway Drive, east of East Drive. During the site reconnaissance, a shopping center was observed at this location. According to various documents and correspondence in the DEH file, it appears as though the address range of 3146-3152 Midway Drive is associated with this property.

The DEH website identifies two LUST cases for this facility. Both releases are listed as having begun on June 11, 1984. However, one of the cases (H21161-001) was closed. The second case, H21161-002, remains listed as an open case. Based on a memo, dated November 10, 1993, regarding case H21161-001, Environmental Health Services "did

not have a site assessment section so this site was never actually opened as a case but was put into SAM data for record keeping purposes." Additional information extracted from this memo is provided below. In addition, various documents and reports pertaining to this facility are discussed below.

A DEH permit application (undated) to abandon four USTs was on file. A second application, dated June 8, 1984, indicated that three USTs (two 5,000-gallon gasoline USTs and one 5,000-gallon diesel UST) were to be installed at the property.

Legal documents pertaining to a court case involving the property report that three new USTs were installed to make the property suitable for a convenience store/gas station facility. These tanks were removed. However, more than 1,000,000 gallons of groundwater and an undetermined amount of soil reportedly were contaminated by the leaking USTs formerly located at the property.

A memo, dated November 10, 1993, reports that nine groundwater monitoring wells and one boring have been installed. Free product in two of the wells was detected at a thickness of 0.13 and 1.96 feet. Soil samples were analyzed for TPH and BTEX. TPH concentrations ranged from 13 to 6,700 mg/kg amongst four samples, and BTEX concentrations ranged from 17 to 220 ug/kg in one sample. Groundwater sample results reportedly were provided for only four of the wells. Of the four wells, one well had levels above the detection limit. TPH was detected at a concentration of 39,000 μg/ℓ, and BTEX was detected at concentrations ranging from 170 to 39,000 μg/ℓ. Based on these results, it was determined that the case needs to be reopened.

A Department of Health Services memo, dated November 17, 1993, indicates that an unknown quantity of contamination was detected by borings and groundwater monitoring wells used for a preliminary site investigation. Based on these findings, the case was reopened. (This release was reported/detected by the Hazardous Materials Management Division on November 10, 1993, which is the date the environmental database report reported a LUST case for the property at 3146 Midway Drive, as discussed in Section 7.1.8 above.) The memo further states that four tanks were reportedly removed in March 1987.

A Notice of Corrective Action and Reimbursement Responsibility, dated November 22, 1993, regarding release H21161-002, indicates that an unauthorized release of hazardous substances from a UST(s) had occurred at the property.

A UST release/contamination report, dated December 8, 1993, states that a release was discovered on January 10, 1991, contaminating soil and groundwater. To stop the illegal discharge, the tank was reportedly closed and removed. Remedial action had not yet been determined.

An Official Notice from the DEH to First San Diego Company, Inc., dated June 19, 2000, states that approximately 54 gallons of free product was collected from the groundwater during a one-year period. The Official Notice further requires a more effective method of free product recovery be used at the property. An Official Past Due

Notice from the DEH, dated October 11, 2002, specifies that a response to the previously discussed notice had not been received.

The most recent documentation on file is a quarterly groundwater monitoring report, prepared by URS and dated May 13, 2002 (URS, 2002). This report indicates that, during this monitoring event, petroleum-impacted groundwater and free product are still present at the property. Free product was measured in two wells, MW-3 and MW-5, at a thickness of 0.41 and 1.16 feet, respectively. Based on historical analytical data, well MW-3 shows a long-term increase in free product thickness, and well MW-5 shows a long-term decreasing trend. The report also indicates that MTBE was detected at concentrations ranging from 15 to 250 μg/ℓ, and BTEX was detected at concentrations ranging from 0.63 to 8,000 μg/ℓ. In addition, TPH-D and TPH-G were detected at concentrations ranging from 2,100 to 16,000 μg/ℓ and 1,100 to 18,000 μg/ℓ, respectively.

Public Auto Service, 4350-4360 Pacific Highway

This facility is located on the west side of Pacific Highway, south of Kurtz Street and north of Sports Arena Boulevard. Two LUST cases were reported for this facility. However, one of the cases is listed as "case closed," and is, therefore, not considered to be an environmental concern to the site. The open LUST case is discussed below.

The DEH website indicates that a release at this facility began on August 13, 1997. On August 20, 1997, TEG sent results of 14 soil samples analyzed for TPH-G and BTEX to EBS. TPH-G was reported at concentrations ranging from 26 to 3,567 mg/kg. BTEX concentrations reportedly ranged from 0.176 to 1.771 mg/kg.

A DEH Notice of Responsibility, addressed to Pacifica Groves Limited and dated January 12, 1998, indicates that an unauthorized release from a UST occurred at this property. A letter from Pacifica Enterprises to the DEH, dated January 20, 1998, states that a UST was removed from the property in 1989, and a DEH closure letter was obtained for the removal. The letter further states that Pacifica Enterprises does not know of any hazardous material source at the facility associated with a spill. Pacifica Enterprises reportedly contacted the tenant, Park and Ride, inquiring about any spill that may have occurred.

Genie Car Wash/Oil Change, 3949 West Point Loma Boulevard

This facility is located on the southeast corner of West Point Loma Boulevard and Groton Street. Based on documents reviewed, this facility operated an oil change business since at least as early as 1985, and a car wash since at least 1987.

Records on file indicate that two 10,000-gallon gasoline USTs installed in the mid-1970s were removed from the property in December 1994. An unauthorized release of a hazardous substance was observed during the removal of the USTs. Therefore, initiation of corrective action measures was required.

According to a 1999 report prepared by H.E.M.C. Environmental Management Corp. (HEMC) (HEMC, 1999), soil samples were collected from underneath the USTs

removed in 1994 and analyzed. TPH-G concentrations ranging from 2,564 mg/kg to 4,688 mg/kg, and benzene concentrations ranging from 5.19 to 7.05 mg/kg, were detected. In August 1999, one groundwater monitoring well was installed at the property. Groundwater samples obtained from this well indicate BTEX concentrations ranging from 1.126 µg/ℓ to 7,684 µg/ℓ. HEMC recommended that additional groundwater monitoring wells be installed.

A second report prepared by HEMC, dated May 15, 2002 (HEMC, 2002), indicates that two borings were drilled and converted to groundwater monitoring wells in April 2002. Soil samples from the two borings and groundwater samples from the two new wells and the one existing well were analyzed. TPH-G was detected in one soil sample at a concentration of 12 mg/kg. Two of the three wells had concentrations of TPH-G, MTBE, BTEX, and VOCs exceeding the maximum contaminant levels. TPH-G was detected at concentrations of 1,190 and 32,000 µg/ℓ. MTBE was detected at concentrations of non-detect to less than 40 and 55.2 µg/ℓ. BTEX was detected at concentrations ranging from 1.2 to 2,040 µg/ℓ, and VOCs were detected at concentrations ranging from 2.1 to 332 µg/ℓ. HEMC's recommendations included installing five additional groundwater monitoring wells.

The most current document on file is a work plan prepared by HEMC, dated July 19, 2002. The scope of this work plan includes drilling three borings, converting the borings to groundwater monitoring wells, and analyzing soil and groundwater samples from the borings and wells. The DEH approved the work plan in August 2002.

Dewey Elementary School, 3251 Rosecrans Street

This facility is located on the southeast side of Rosecrans Street, northeast of Sellers Drive. On August 18, 1997, the DEH issued a Notice of Responsibility for the unauthorized release associated with the UST removal at this site. On August 8, 1998, EBS installed five soil borings in the vicinity of the former UST cavity to a depth of 20 feet bgs and collected soil samples at five-foot intervals for laboratory analysis. Detectable levels of hydrocarbons were noted at to a depth of 14 feet in the center of the former cavity and to a depth of 10 feet in the area surrounding the former cavity. EBS concluded that the vertical extent of petroleum hydrocarbon-impacted soil had been defined, but the lateral extent had not been delineated.

On March 26, 2002, Ninyo & Moore installed five soil borings at the site to collect soil and groundwater samples for analysis. Soil samples collected from NM-B6, located approximately 20 feet to the south of the former UST, and NM-B8, located approximately 40 feet to the east of the former UST, did not have detectable levels of hydrocarbons. Boring NM-B9, located approximately 30 feet southwest of the former UST, contained a hydrocarbon concentration of 650 mg/kg at a depth of 12 feet bgs. Boring B-10, located approximately 25 feet north of the former UST, contained a hydrocarbon of 200 mg/kg at a depth of 12 feet bgs. The soil sample collected at a depth of 10 feet bgs from boring NM-B7, located immediately south of the former UST, contained a hydrocarbon concentration of 3,300 mg/kg. Ninyo & Moore concluded "the lateral extent of petroleum hydrocarbon impacted soil has been defined to the south and east, and has not been defined to the north, west, or southwest. It appears that residual

petroleum hydrocarbons present at the site have spread laterally along the groundwater surface and the capillary fringe."

In addition to requests submitted to regulatory agencies, Ninyo & Moore reviewed a report titled "Initial Assessment Study, Naval Training Center, Marine Corps Recruit Depot, and Fleet Anti-Submarine Warfare Training Center, San Diego, California," dated February 1986 (SCS Engineers, Inc., 1986). An area at MCRD identified as "Site 4, Old Motor Pool Area and Building 13 Underground Storage Tank, MCRD San Diego" is discussed in this study. This area, located approximately 380 feet to the south of the site along China Street, between Montezuma Avenue and Belleau Wood, is identified as unlined soil pits. According to the study, unconfirmed reports indicate that hazardous wastes, including motor oils, contaminated gasoline, Stoddard solvent, and ethylene glycol coolant may have been disposed into these unlined pits sometime during the mid-1950s to the early 1970s. A recommendation was made to obtain 20 soil samples and 5 groundwater samples in the area to analyze for various constituents. Select pages from the study are included as Appendix E.

FINDINGS AND OPINIONS

Based upon the results of this limited HMTS, the following findings and opinions are provided:

- The project study area is approximately 1.69 square miles in area, and is located in the southwestern portion of the city of San Diego. Properties within the study area are developed with schools; a post office; retail and commercial businesses, including offices, medical facilities, stores, restaurants, dry cleaning facilities, gasoline service stations, and automobile repair facilities; light industrial facilities; and multi- and single-family residences.

- Based on the aerial photograph review, the northern portion of the study area consisted of an open floodplain, with scattered residential structures situated in the northwestern portion of the study area, since at least as early as 1949. Sometime between 1949 and 1953, the open floodplain became a channel similar in configuration to the present-day San Diego River Floodway. The remainder of the study area appears to have been generally developed with roads and commercial and residential structures similar in appearance to its current configuration since at least as early as 1949.

- Facilities that typically store hazardous substances and wastes (i.e., medical and dental facilities, photo developing facilities, automotive repair/oil change facilities, gasoline service stations, dry cleaning facilities, car washes) were observed in Subareas B, C, and D of the study area during the site reconnaissance. However, with the exception of the LUST facilities (discussed below), these facilities do not appear on regulatory agency databases that report significant unauthorized releases of hazardous materials. For that reason, there is a low likelihood that these facilities present an environmental threat to the subject site at the present time.

- One approximately 250-gallon AST labeled "Air Liquide" was observed at the SPAWAR facility in Subarea D, addressed 4297 Pacific Highway. In addition, one approximately 30,000-gallon AST was observed at this facility, adjacent to Pacific Highway. At the time of the site reconnaissance, the contents of this AST were not identified. Based on the fact that the United

States Navy has been identified as the responsible party and has an established ongoing investigation/remediation program for all environmental sites of concern identified on the database, there is a low likelihood that these ASTs present an environmental threat to the subject site at the present time. Other ASTs were not observed within the study area boundaries during the site reconnaissance.

- Evidence of USTs (e.g., fill pipes, vent pipes, groundwater monitoring wells) was observed in subareas B, C, and D during the site reconnaissance. A discussion of LUST cases present in the subareas is provided below.

- Pole- and pad-mounted electrical transformers were observed in Subareas B, C, and D. At the time of the site reconnaissance, leaks or stains were not noted in the vicinity of the transformers observed (please note that the transformers along roadways and within office properties were not individually inspected at the time of the site reconnaissance; therefore, it is possible that some transformers within the subareas may have experienced leaks). According to an SDG&E representative, SDG&E assumes responsibility for ensuring that its transformers comply with USEPA regulations governing PCBs.

- Visual evidence of significant surficial soil staining was not observed within the site boundaries during our limited site reconnaissance.

- Groundwater monitoring wells were observed in several locations within Subareas B and D during the site reconnaissance. These wells are associated with former and ongoing subsurface investigations being performed at LUST facilities located in these areas. A discussion of LUST cases present in the subareas is provided below. In addition, a groundwater monitoring well was observed adjacent to the north of Subarea A. This well is possibly associated with previous subsurface investigations performed for the former Mission Bay Landfill.

- Our site reconnaissance activities and environmental database search indicated that there are 107 properties of potential environmental concern within the study area boundaries and within 200 feet of the study area boundaries, including active LUST facilities and a former landfill. Of these 107 facilities, 94 were identified as closed LUST cases, duplicate records, and/or located outside the search radius (greater than 200 feet from the study area). In addition, two facilities were listed as open LUST cases. However, based on information obtained from the DEH, these two cases are closed. For these reasons, there is a low likelihood that these facilities present an environmental threat to the subject site at the present time. Ten of the remaining facilities are open LUST facilities located within the site boundaries, and are considered an environmental concern to the study area. The remaining facility is the former Sports Arena Landfill, located in Subarea B. As subsurface investigations reportedly have not been performed for this landfill, this former facility is considered a potential environmental concern to the study area.

- Our site reconnaissance activities and environmental database search indicated that there are three properties of potential environmental concern to the study area that are located within 200 feet of the study area. Two of the facilities were identified as closed LUST cases. For this reason, there is a low likelihood that these facilities present an environmental threat to the subject site at the present time. The remaining facility is the former Mission Bay Landfill, a hazardous waste site, located adjacent to the north of the study area. Although subsurface

investigations have been performed for this area, the extent of contamination has yet to be fully delineated. Based on the nature of the materials reportedly disposed at this facility and historical information, this former hazardous waste landfill facility is considered a potential environmental concern to the study area.

CONCLUSIONS

Based upon the results of this Limited Phase I ESA, the following recommendations are provided:

- There is a moderate to high potential that soil and/or groundwater beneath portions of the subject site have been impacted by on- and off-site sources. In addition, the lateral and vertical extent of soil contamination from activities on several properties within the subareas has not been definitively determined at the present time. Because there is a moderate to high potential of encountering contaminated soil and/or groundwater within the proposed areas of development, the following precautions are presented:
    - Dredging operations should not be performed in the San Diego River Floodway, as there is a high likelihood to encounter documented and undocumented hazardous wastes due to the operations at the former Mission Bay Landfill.
    - Grading/excavating activities should not be performed at or in the vicinity of the former Sports Arena Landfill until subsurface investigation(s) have been completed, as it is unknown what types of wastes and extent of contamination, if any, exist in this area.
    - Caution should be taken during excavation activities near gasoline stations because of the potential to encounter documented and undocumented releases of contaminants and hazardous material that may have occurred in or adjacent to these sites.
    - Contract specifications should include a line item for loading, transportation, and disposal of contaminated soil generated during the project.
    - A Site Safety Plan should be prepared and implemented prior to initiation of construction activities to reduce potential health and safety hazards to workers and the public.
- Caution should be taken during excavation activities near existing groundwater monitoring wells so that they are not damaged. Existing groundwater monitoring wells may have to be abandoned and reinstalled if they are located within the proposed area of the sewage conveyance system.
- If contaminated soil and/or groundwater is encountered during the Bay-to-Bay Link project, the responsible party (e.g., property owner or operator) is liable for the contaminated soil or groundwater. If the contaminated soil or groundwater is transported from the site, the parties involved in removing the contaminated soil/groundwater will incur liability for the proper handling, storage, and disposal of the material. These parties then have the potential to recover costs associated with the handling, storage, and disposal of the contaminated soil or groundwater from the parties responsible for the contamination.

LIMITATIONS

The environmental services described in this report have been conducted in general accordance with current regulatory guidelines and the standard-of-care exercised by environmental consultants performing similar work in the project area. No warranty, expressed or implied, is made regarding the professional opinions presented in this report. Please note that this study did not include an evaluation of geotechnical conditions or potential geologic hazards.

This document is intended to be used only in its entirety. No portion of the document, by itself, is designed to completely represent any aspect of the project described herein. Ninyo & Moore should be contacted if the reader requires any additional information or has questions regarding the content, interpretations presented, or completeness of this document.

Our conclusions, recommendations, and opinions are based on an analysis of the observed site conditions and the referenced literature. It should be understood that the conditions of a site could change with time as a result of natural processes or the activities of man at the subject site or nearby sites. In addition, changes to the applicable laws, regulations, codes, and standards of practice may occur due to government action or the broadening of knowledge. The findings of this report may, therefore, be invalidated over time, in part or in whole, by changes over which Ninyo & Moore has no control.

This report is intended exclusively for use by the client. Any use or reuse of the findings, conclusions, and/or recommendations of this report by parties other than the client is undertaken at said parties' sole risk.

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Draft

September 13, 2002
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Subject: Hazardous Materials Technical Document
Downtown Community Plan Update and MEIR
San Diego, California

INTRODUCTION

The intent of this document is to assist the Centre City Development Corporation (CCDC) in performing a hazardous materials constraints analysis as part of the Downtown Community Plan Update and Master Environmental Impact Report (MEIR). This document presents a summary of current downtown San Diego redevelopment trends in hazardous materials management from a regulatory and practical perspective, suggests methods that have proven effective in the identification, assessment, and mitigation of environmental issues, and provides general conclusions regarding the potential impact of hazardous materials releases on redevelopment in the downtown area.

The redevelopment of properties in the downtown area of the city of San Diego is required to be approved by CCDC, may involve public funding, and often carries the stigma of environmental impairment (i.e., brownfields). The public nature of these projects elicits a heightened sense of awareness and participation by the public, politicians, regulators, multiple proponents/opponents, potentially responsible parties, environmental groups, and regulators with varying agendas, perceptions, and "mandates" regarding how each project should be planned, funded, and developed. California Community Redevelopment Law empowers CCDC to provide the leadership necessary to proactively meet these challenges and to mitigate hazardous materials issues in a manner that provides the most benefit to the people of San Diego.

Intelligent risk management decisions regarding implementation of appropriate mitigation measures for properties selected for redevelopment should be made after considering site-specific environmental conditions, past and future site use, project economics, and regulatory requirements. Because these considerations are in a constant state of flux, yet should be considered as a whole, hazardous materials studies should be initiated once the project, its location(s), and stakeholders have been tentatively identified.

BACKGROUND

In January 1992, CCDC issued a report prepared by ERC Environmental and Energy Services Company (ERCE) titled *Final Centre City Redevelopment Project Community Plan and Related Documents, Hazardous Materials Assessment*. This report presents information regarding hazardous materials release sites located within the downtown community plan area, focusing on sites within the planning area that were known hazardous release sites, underground storage tank (UST) locations, permitted hazardous waste generator facilities, and facilities with permits for the storage, use, and disposal of regulated materials. General impacts and mitigation measures regarding hazardous materials (permitted) sites, hazardous waste release sites, USTs, and asbestos also are presented. Information contained in the report was obtained through reviews of aerial photographs, topographic maps, Sanborn fire insurance rate maps, federal and state lists of known hazardous waste sites, and site-specific hazardous waste studies; performance of a historical land use study; and communication with regulatory agencies. However, as stated in the report, "Limitations to a study of this magnitude relate to the physical extent of the Planning Area and the complexity of determining specific use of hundreds of individual parcels of land over a period of approximately 100 years. The overall goal of this study is to provide a generic view of historic land use within the planning area as a whole."

The report included maps showing the approximate locations of hazardous waste release sites within the planning area. From the mapped data, ERCE concluded that release sites were located throughout the planning area. However, the report presented additional data on two specific areas with somewhat larger scale issues: 1) the "groundwater plume" in the Marina District, and 2)

contaminated soil in the southern portion of the East Village Redevelopment Area and adjacent Marina District.

The "groundwater plume" in the Marina District had attracted a lot of attention in the mid-1980s to early-1990s, so much so that, at least locally, it was referred to as the "Blob." Assessment data indicate that the plume is bounded by G Street to the north, I Street to the south, and to the east and west by Fourth Avenue and Front Street, respectively. This plume, which is likely a group of neighboring or coalescing plumes of diesel/gasoline free product on the groundwater, was initially estimated to contain as much as 450,000 gallons of free product, but was later recalculated to contain approximately 64,000 gallons (Huntley, et al, 1991). Huntley, et al, also concluded that the free product was stable, but the dissolved phase may be influenced by Convention Center dewatering. The San Diego Regional Water Quality Control Board (RWQCB) issued a Cleanup and Abatement Order (CAO) to the responsible party. A significant portion of the remediation was performed concurrently with redevelopment in the area. The CAO is still in effect, although portions have been rescinded. Subsequent redevelopment in this area, consisting of residential, commercial, retail, and restaurant uses (e.g., 101 Market, Renaissance) and planned development (e.g., KUSI mixed use) indicate that the plume (dissolved and free product) does not pose a significant roadblock to redevelopment. However, one should keep in mind that any redevelopment in this area should be prepared to address potential issues relating to the presence of petroleum hydrocarbon contamination.

The other problem area discussed in the 1992 ERCE report involved portions of the East Village Redevelopment Area and adjacent Marina District. This area has experienced heavily industrialized uses such as rail transportation, manufactured gas plant, foundries, shipbuilding, petroleum storage and distribution pipelines, landfills, and burn dumps. Many of the environmental concerns in this area either have been or will be mitigated by redevelopment activities related to the San Diego Padres Ballpark and ancillary development, hotel construction, and expansion of Metropolitan Transit Development Board, Port of San Diego, and Convention Center facilities. Therefore, the majority of potential environmental contamination issues for this area alluded to in the 1992 ERCE report are being addressed.

The ERCE report also presents an approach (e.g., Phase I and II Environmental Site Assessments (ESAs), risk assessment, establishing cleanup goals, remediation) to address general types of environmental conditions that may pose a risk to human health, the environment, and redevelopment. The activities and sequencing presented in the ERCE report are still applicable, but the available regulatory, technical, funding, and legal considerations and options have changed considerably. For example, the Polanco Act, the California Environmental Protection Agency (Cal/EPA) Site Designation Program, the San Diego County Department of Environmental Health (DEH) Voluntary Assistance Program (VAP), American Society for Testing and Materials (ASTM) Standard Practices, lender requirements, insurance options, risk-based closure, and DEH Site Assessment and Mitigation (SAM) Manual have significantly altered the way that hazardous materials issues are handled in San Diego and have established a "standard of care" that did not exist when the ERCE report was prepared in 1992. However, the ERCE report represents one source of historical information that should be reviewed prior to redevelopment in the planning area.

HAZARDOUS MATERIALS APPROACH FOR REDEVELOPMENT PROJECTS

A variety of methods can be utilized to identify potential environmental issues regarding a property to assess the extent and severity of existing contamination, to remediate the contamination in a cost-effective manner, to meet regulatory compliance requirements, and to manage low-level, post-remediation contamination that may be an issue during construction. A generalized project management approach is summarized below. Note that this is a suggested approach and is not intended to be a cookbook method that must be followed for every project. As with any effective project management approach, experience and professional judgement are essential in the gathering and evaluation of data, and the formulation of conclusions and recommendations necessary to reach informed risk management decisions.

In general, the recommended project approach for redevelopment of properties in downtown San Diego would be as follows:

- *Understand your site*. Once a redevelopment site has been tentatively identified, perform a Phase I ESA in general accordance with the appropriate version of the ASTM standard. Note that sites with conditions that require oversight by the Department of Toxic Substances Con-

trol (DTSC) (e.g., potential school sites, Resource Conservation and Recovery Act facilities) may require additional regulatory compliance and more extensive evaluations.

- *Develop and define the project description*. The project may be constrained by conditions identified in the Phase I ESA, scheduling, funding, and other issues and obligations. The Phase I ESA, being a historical review, can indicate many factors that might require further assessment as a result of the physical characteristics of the project, its proposed end use, and regulatory compliance requirements.

- *Develop a partnering relationship with the project stakeholders*. As site conditions and the project description become focused, it is possible to identify stakeholders essential to the success of the proposed project. These stakeholders will become members of the project team, and it is to the benefit of the project proponent to encourage their participation. Team members can include CCDC, the developer, potential contractors, regulators, environmental consultants, attorneys, local members of non-governmental organizations, lenders, and others. It is important to instill a partnering relationship among the team members from the beginning and to maintain this relationship throughout the duration of the project.

- *Develop a strategy for assessing and remediating potential environmental conditions*. Each project will require site-specific levels of assessment, investigation, characterization, risk assessment, data management, quality assurance/quality control, and public outreach programs in order to address and mitigate the regulatory issues, construction requirements, and end use. Consider the implementation of an environmental strategy, if one is suggested by the Phase I ESA, that takes maximum advantage of redevelopment activities and takes into account remediation requirements, including the potential need for space on site to segregate and characterize soils or construction dewatering effluent that may require special handling. The data quality objectives and data quality assessment criteria should be established at this stage.

- *Address Hazardous Building Materials*. If the project involves demolition of existing structures, a hazardous building materials survey (HBMS) would likely be recommended by the Phase I ESA. HBMSs are typically performed on buildings that are scheduled for renovation or demolition. The objective of the HBMS is to identify and quantify building materials containing asbestos and lead-based paint, and to quantify potential mercury-containing thermostats/switches, polychlorinated biphenyl-containing items (e.g., light ballasts, switches, and transformers), fluorescent light tubes, and Freon™-containing refrigeration systems.

  After completion of the survey, prepare a HBMS report, presenting data and summarizing the assessed materials. The report typically includes a site location map, site description, laboratory testing information, conclusions and recommendations, tables summarizing the building materials assessed, and quantities of identified materials. Depending on the results of the HBMS, it may be necessary to prepare and implement a mitigation plan to address the materials of concern and regulatory compliance requirements (e.g., permitting, notifications, record keeping).

- *Perform a Phase II ESA.* If a Phase II ESA is recommended as a result of the Phase I ESA, a decision needs to be made regarding the participation of a regulatory agency, or agencies, so that proper guidance, scheduling, documentation, permitting, notifications, and approvals are considered in planning the scope of the Phase II ESA. (Examples of the regulatory programs available to redevelopment projects are discussed in a later section of this document.)

  If it is decided that a Phase II ESA is required, consider whether it should be incorporated into a Property Mitigation Plan (PMP). Such plans can often efficiently combine remedial activities with specific construction plans and approaches. PMPs have been approved and used to this end in CCDC's redevelopment area. A PMP can incorporate site excavation plans and future end uses so that risk-based solutions can be explored. Where appropriate, prepare a preliminary site conceptual model (SCM) that would be referenced in the preparation of a focused Phase II ESA work plan or PMP to address potential contaminants, pathways, and receptors. As the field data are collected, review the SCM to determine if the data require modifications to the SCM, data quality objectives, and Phase II ESA/PMP scope of work. This process requires that experienced, senior people perform the field work so that appropriate and timely decisions regarding the data quality objectives can be made in the field as data become available. This minimizes costly and time consuming field mobilizations. When the data no longer require modification of the scope of work, data quality objectives or SCM, the fieldwork can be considered complete. Appropriate Phase II ESA and property mitigation reports should be prepared and submitted according to the requirements of the regulating agency.

  Worker and community health and safety plans regarding contaminants of potential concern should be prepared at this stage. To maximize their effectiveness and efficiency, health and safety plans should be prepared and maintained to address the evolving requirements of the various stages of the project (e.g., construction, remediation) and unknowns (e.g., emergency response).

- *Prepare a Project-Specific Soils Protocol.* The project-specific soils protocol should present emergency response and soil excavation monitoring procedures, stockpile management plans, on-site reuse and off-site disposal/reuse options, reporting/tracking documentation requirements, and identify the team members, their roles and responsibilities, and contact information.

- *Prepare Contractor Bid Specifications.* The contractor bid specifications should document known and potential environmental concerns (e.g., residual contamination), present worker and community health and safety issues, and identify specific protocols and responsibilities in handling hazardous materials (known and unknown) that may be encountered during construction.

- *Perform Health and Ecological Risk Assessment.* Site-specific health and ecological risk assessments coupled with fate and transport studies may be required to recommend cleanup levels that are protective of human health (e.g., construction workers and for site occupants, workers, and visitors) and the environment (e.g., groundwater).

- *Know the Regulatory Requirements.* When an appropriate regulatory agency acknowledges that the work described in the PMP or other work plan has been implemented effectively, regulatory closures will be issued (e.g., Comfort letter, No Further Action letter, Polanco Act immunity, or a Certificate of Completion) that, in some cases, have legal consequences that can end further liability for regulatory work, and trigger milestones for financing or insurance considerations, as well as other site-specific goals.

- *Develop Generic Protocols.* When a project is large enough, as when an entire block or a multi-block area comprised of several parcels is being redeveloped, consider methods of developing generic protocols that can standardize decision making for a particular site, potentially saving time and money. This is a process that CCDC utilized in its acquisition and preparation of the properties within the Ballpark District Redevelopment Project. In that project, CCDC utilized a Master Work Plan that was supplemented by a community health and safety plan, PMPs, and soils reuse and export protocols for the different phases of the redevelopment project.

HAZARDOUS RELEASE REGULATIONS/PROGRAMS/GUIDELINES/MECHANISMS

The following paragraphs discuss various regulations, programs, guidelines, and mechanisms to support the investigation and remediation of hazardous release sites on properties within CCDC's jurisdiction. These are typically used together in various combinations and should be considered in selecting a course of action prior to redeveloping properties that are suspected or known to be contaminated.

Polanco Redevelopment Act

Polanco Redevelopment Act, California Health and Safety Code section 33459 et seq. (Polanco Act), provides buyers and developers, working with local redevelopment agencies, an opportunity to redevelop properties located in urban areas despite the potential, actual or perceived presence of environmental contamination. Specifically, the Polanco Act allows developers to obtain critical liability protections against future claims arising from existing contamination.

In broad terms, the Polanco Act provides local redevelopment agencies the authority to take "any action necessary" to remedy or remove a release of hazardous substances on, under, or from any property within an identified redevelopment area. Such action may include acquiring reports on environmental conditions at the property, issuing demands for cleanup and abatement, acquiring the property through use of its eminent domain power, and performing necessary remediation at the property (including the recovery of costs and fees associated with such remediation). The Polanco Act also permits a redevelopment agency to contract with third parties to acquire and/or undertake cleanup of property.

One of the primary benefits of the Polanco Act is that, upon completion of remediation under an approved remediation plan, the statute provides eligible parties with immunity from environmental liability for issues addressed in the cleanup plan. Parties eligible to receive such immunity include the local redevelopment agency, and any party that (a) enters into an agreement with a redevelopment agency for redevelopment of the property, (b) purchases the property after a party has entered a redevelopment agreement with a redevelopment agency, or (c) provides financing to either of the above developers/purchasers of the property. Thus, the benefits and protections of the Polanco Act may be enjoyed not only by redevelopment agencies, but also by other eligible parties working with redevelopment agencies.

The Polanco Act also provides the redevelopment agency with the authority to facilitate and/or oversee the review and approval of environmental planning and remediation documents. The Polanco Act has a unique "fee shifting" provision that allows the redevelopment agency to recover its attorneys fees as part of its reimbursable response costs. Finally, the protection available to developers, future purchasers, and lenders under the Polanco Act can provide added security (and hence value) in the sale and leasing of the property. From a practical perspective, local support for a redevelopment project, in the form of redevelopment agency concurrence with project planning, timing, and goals, can be critical in obtaining discretionary agency approvals throughout the development process.

Site Designation Program

The purpose of the Site Designation program (California Health and Safety Code §25062 et. seq.) is to allow a responsible party who agrees to carry out a site investigation and remedial action to request the Site Designation Committee (Committee) within the Cal/EPA to designate a single state or local agency (Administering Agency) to oversee the site investigation and remedial action. The Committee consists of six members representing the Cal/EPA, the Air Resources Board, the Department of Toxic Substances Control (DTSC), the Office of Environmental Health Hazard Assessment, the State Water Resources Control Board (SWRCB), and the Department of Fish and Game. Use of this process is required if the project proponent wants to use a local agency to oversee a "Polanco" cleanup in certain circumstances. This process requires approximately 90 days of lead time to implement.

DEH Voluntary Assistance Program (VAP)

The VAP is a voluntary option for project oversight on various types of properties that are environmentally impacted. Through the VAP, members of the SAM team at the DEH provide consultation, overview, and report concurrence on projects involving properties suspected or known to be contaminated with hazardous substances. The SAM utilizes current guidelines and policies of the DEH and California Regional Water Quality Control Board (RWQCB) to reach site assessment and cleanup goals at sites under the VAP. Assistance is customized to meet the needs of the applicant. The objective of the VAP is to allow rapid and cost-effective resolution of contamination problems. Examples of projects that have been processed through the VAP program include conversion of a property from agri-

cultural to residential land use, conversion of a gas station property to a retail facility, a release of solvent from a dry cleaners, review of work plans prior to initiating work, and review of assessment and mitigation reports for lenders.

Under the VAP program, the following conditions currently apply:

- The California Department of Toxic Substances Control and the RWQCB are notified of DEH oversight.
- All reports submitted to the VAP program are available for public review.
- DEH is allowed 30 days to review the initial documents.
- Fees are established by the County of San Diego and billing is performed quarterly.
- Upon satisfactory completion of all activities, a "no further action " letter or concurrence letter will be issued.

An applicant may withdraw from the program through submittal of a written notification and payment of accrued fees. To apply to the program, the applicant must fill out a one-page application form that describes what the applicant wants from the DEH, and return the application form to the DEH with a check, which covers set up fees and initial DEH review. The most commonly submitted documents are work plans, Phase I ESA reports, Phase II ESA reports, and health risk evaluations.

United States Environmental Protection Agency Sites Program

The United States Environmental Protection Agency (USEPA) Region 9 has developed the Targeted Site Assessment program, a brownfields program initiative to help municipalities, redevelopment agencies, and community development corporations redevelop properties known or suspected to be contaminated. Brownfields sites are defined as vacant or underused commercial or industrial facilities where redevelopment is complicated by actual or perceived contamination. Under this initiative, USEPA will conduct targeted site assessments at selected sites in California, Arizona, Hawaii, Nevada, and on tribal lands. The assessments will determine the nature and extent of contamination and provide preliminary cost estimates for cleanup. Several sites in Region 9 have already been selected for this program.

The Targeted Site Assessment program is being offered to public or nonprofit entities (e.g., municipalities, redevelopment agencies, and community development corporations) that currently have redevelopment plans for property that is known or suspected to be contaminated. The property should either be currently owned by the agency/municipality/development corporation, or should be property that these agencies can obtain ownership of through other means (e.g., tax foreclosure). In addition, abandoned properties (properties which the current owner has shown no interest in, has not paid taxes on, and does not have the resources to

conduct the required site assessment work) are eligible for the program. Sites contaminated only with petroleum products are not eligible for this program.

A Targeted Site Assessment would encompass one or more of the following activities:

- a screening assessment, including a background and historical investigation and site inspection;
- a full site assessment, including sampling activities, to identify the types and concentrations of contaminants and the areas of contamination that should be cleaned up prior to reuse; and
- establishment of cleanup options and cost estimates based on future uses and redevelopment plans.

Environmental consultants currently under contract with USEPA will conduct targeted Site Assessments. Currently, the program does not provide funds to conduct cleanup or building demolition activities. The USEPA will select sites for the program for which firm redevelopment plans have been prepared. The redevelopment can involve the creation of commercial, industrial, residential, recreational or conservation uses. Projects that have financing available for the cleanup, or that offer other unique incentives for development (e.g., tax increment financing) will be given higher priority.

CALReUSE Program

CCDC is a "strategic partner" with the California Pollution Control Financing Authority, which created the CalReUSE program to spur development of brownfields properties. CalReUSE provides funding to projects in CCDC's redevelopment area to be used for site assessment and remediation of land with contamination or perceived contamination. CalReUSE provides forgivable loans to fund site assessment and characterization, technical assistance, and remedial action plans. As a strategic partner, CCDC will work with CalReUSE to prioritize and select projects, approve loans, and administer the program.

Sites that will be considered for the program include those with potential economic beneficial reuse, but that are not currently redeveloped due to lack of information regarding potential contamination, and sites that are likely to be redeveloped if proven economically feasible. Economically feasible projects are those that are supported by quality development entities with proven track records, and projects that, absent CalReUSE resources, would most likely not move forward. The loan criteria for the program are provided below:

- the maximum loan for an individual project amount is $125,000,
- the maximum term of the loan is 36 months,
- a 25% match is required,
- a portion of the loan may be forgiven under certain circumstances, and
- the current interest rate is approximately 6%.

CLEAN Loan Program

In 2000, Governor Gray Davis signed into law the "Cleanup Loans and Environmental Assistance to Neighborhoods (CLEAN) Program" (Senate Bill 667, Sher) establishing new financial incentives to encourage property owners, developers, community groups and local governments to redevelop abandoned and underutilized urban properties in California. The CLEAN program was established to provide low interest loans up to $2.5 million for the cleanup or removal of hazardous materials where redevelopment is likely to have a beneficial impact on the property values, economic viability, and quality of life for a community.

Unfortunately, due to the recent state budget reductions, funds are currently unavailable for new CLEAN Loans. However, potential applicants are encouraged to complete an online application, which will enable the CLEAN Program to determine the need of constituents when funding does become available.

California Land Environmental Restoration and Reuse Act

The City of San Diego is currently preparing an ordinance to implement this program. Either DTSC or RWQCBs can oversee cleanup activities that are conducted under this program (except in certain circumstances where local agencies may oversee the cleanup activities). Cal/EPA has developed guidelines to describe the process that is used to select the oversight agency.

Cal/EPA is responsible for developing advisory "screening values" for hazardous substances that are typically found at brownfields sites. These values will serve as reference numbers to help developers and local governments estimate the costs and extent of cleanup of contaminated sites, providing valuable information in their development decisions. Cal/EPA's Scientific Peer Review Program will review the screening values that will be developed. The first step in this process will be to peer review the San Francisco RWQCB's risk-based screening levels (RBSLs). The request for peer review is expected to be sent to the President of the University of California shortly.

The RBSLs are intended to help expedite the preparation of environmental risk assessments at sites where impacted soil and groundwater has been identified. As an alternative to preparing a formal risk assessment, soil and groundwater data collected at a site can be directly compared to the RBSLs and the need for additional work evaluated. It is anticipated that RBSLs will be especially beneficial for use at small- to medium-size sites, where the preparation of a more formal risk assessment may not be warranted or feasible due to time and cost constraints.

DTSC will conduct a pilot program in Southern California to evaluate how screening values are used in cleanup decision-making at brownfields, and with that information guide the development of its own screening values. Cal/EPA has developed a brochure describing this pilot project. To better understand the processes that govern cleanup decisions, Cal/EPA is preparing information that details the cleanup processes of both DTSC and RWQCBs.

SWRCB Tank Fund

Federal and state laws require every owner and operator of a petroleum UST to maintain financial responsibility to pay for any damages arising from their tank operations. The Barry Keene Underground Storage Tank Cleanup Fund Act of 1989 was created by the California Legislature, and is administered by the State Water Resources Control Board (SWRCB), to provide a means for petroleum UST owners and operators to meet the federal and state requirements. The Fund also assists a large number of small businesses and individuals by providing reimbursement for unexpected and catastrophic expenses associated with the cleanup of leaking petroleum USTs. In addition, the Fund also provides money to the RWQCBs and local regulatory agencies to abate emergency situations or to cleanup abandoned sites that pose a threat to human health, safety, and the environment, as a result of a petroleum release from a UST.

Established by SB 299 in 1989, modified by SB 2004 in 1990, and other subsequent legislation, the Fund requires every owner of a petroleum UST that is subject to regulation under the California Health and Safety Code to pay a per-gallon fee to the Fund. This fee, which began on January 1, 1991, has increased over time and currently generates in excess of $180 million annually.

To be eligible to file a claim with the Fund, the claimant must be a current or past owner or operator of the UST from which an unauthorized release of petroleum has occurred, and be required to undertake corrective action as directed by the regulatory agency. Other eligibility conditions include compliance with applicable state UST permitting requirements and regulatory agency cleanup orders.

The Act sets forth a claim priority system based on claimant characteristics. The highest priority, Class A, is reserved for residential tank owners; the second priority, Class B, is reserved for small California businesses, nonprofit organizations, and governmental agencies with gross receipts below a specified maximum; the third priority, Class C, is for certain California businesses, nonprofit organizations, and governmental agencies not meeting the criteria for Class B; and the fourth priority, Class D, is given to all other eligible claimants.

Under statute, the SWRCB must update the Priority List at least once a year to include new claims. Since the fall of 1993, the SWRCB has been updating the list monthly. Claims from previous updates retain their relative ranking within their priority class with new claims ranked in their appropriate class below those carried over from the previous list. New claims in a higher priority class must be processed before older claims in a lower priority class.

There are two exceptions to the priority system. In 1993, the Legislature amended the Act to require the Fund to award approximately 15 percent of its funds annually to any lower priority classes that would not otherwise be funded (i.e., Class C and D claimants each receive at least 15 percent of the annual funding). In addition, legislation signed by the Governor on July 19, 2000 provides immediate funding for Fire Safety Agencies who submitted applications to the Fund by January 1, 2000.

Pre-approval is a method by which the claimant can come to an understanding with the Fund regarding eligible reimbursable costs prior to starting the cleanup. If the proposed project activities are completed as presented to and approved by the Fund for those costs that were pre-approved, reimbursement is virtually assured.

CONCLUSIONS

When appropriate planning is used, hazardous materials contamination issues in downtown San Diego have not been and are unlikely to be considered a fatal flaw to redevelopment. This is largely due to the increasing trend toward risk-based remediation and closure, innovative soil reuse options, the non-beneficial use designation for groundwater beneath the downtown area, and the evolution of regulations, programs, guidelines, and funding options available to redevelopment projects. Intelligent and efficient data gathering and management, improved risk assessment and fate and transport models, advances in engineering controls and remediation and construction techniques, innovation, flexibility, and effective planning can minimize land use restrictions in downtown San Diego that are based strictly on potential impacts to human health or the environment related to the presence of hazardous materials concerns.

It cannot be overemphasized how important team selection and definitions, and candid, comprehensive communication are to the process of redevelopment. The responsibility and authority of each team member must be clearly defined, understood, and agreed to from the beginning, and mechanisms put in place to modify each team member's role to address project unknowns. Early understanding of site conditions and project goals will foster intelligent, innovative, and economic approaches to the assessment and mitigation of environmental site conditions. These processes are most profitably employed early, before project goals are formed that may later prove to be infeasible. CCDC's staff and consultants are available to support this activity as appropriate.

We appreciate the opportunity to be of service to you on this project. Should you have any questions, please contact the undersigned at your convenience.

Respectfully submitted,
NINYO & MOORE

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SB/SKG/LRM/rlm

Distribution: (1) Addressee

XII. PUBLIC PARKS AND OPEN SPACE COSTS

The following summarizes the assumptions used in assembling the cost estimates for construction of the three alternatives.

- Sidewalk pavement colored concrete pavement with exposed aggregate finish, $280 per linear foot (lf) =$7.00 per square foot X 20 wide path X 2 (assuming both sides of a channel or park)
- Channel ROW Trees etc $294/lf = ($400 per tree X 3 for installation /30 feet spacing + 35 square feet of groundcover X $3/sf + $2 for mulch) X 2 sides of the channel or park
- Street Median planting $100/lf = ($800 per tree/50 foot spacing) + $2/sf groundcover @ 16 foot wide median + $2 for mulch
- Street tree planting $100/lf = $800 grate + $1200 tree/40 foot spacing X 2 sides of the road
- Frontage $36/lf = $6/sf plants and irrigation X 3 foot wide planting area X both sides
- Seating $32/lf = $1200 bench / 75 foot spacing X both sides
- Trash Receptacles $7 = $500 receptacle/150 foot spacing X both sides
- Pedestrian lighting $75 = $1500 light/40 foot spacing X both sides
- Transit Shelter $10 = $5000 shelter/1000 foot spacing X both sides
- Floating dock $150/lf
- River channel walk, unit pavers, sand set $30
- Park construction $250,000/acre

COSTS					Park System		Non-Tidal		Navigable Channel	
Parks and Open Space	Park System	Non-Tidal	Navigable Channel	Unit	QTY.	UNIT COST	QTY.	UNIT COST	QTY.	UNIT COST
Sidewalk pavement	6,272,000	5,656,000	5,880,000	lf	22,400	280	20,200	280	21,000	280
Channel planting	-	4,704,000	6,115,200	lf		294	16,000	294	20,800	294
Street median trees	2,240,000	2,020,000	2,100,000	lf	22,400	100	20,200	100	21,000	100
Street tree planting	2,240,000	2,020,000	2,100,000	lf	22,400	100	20,200	100	21,000	100
Frontage zone planting	806,400	727,200	756,000	lf	22,400	36	20,200	36	21,000	36
Seating	716,800	646,400	672,000	lf	22,400	32	20,200	32	21,000	32
Trash receptacles	149,333	134,667	140,000	lf	22,400	7	20,200	7	21,000	7
Pedestrian lighting	1,680,000	1,515,000	1,575,000	lf	22,400	75	20,200	75	21,000	75
Transit shelters	224,000	202,000	210,000	lf	22,400	10	20,200	10	21,000	10
Floating docks	-	-	3,120,000	lf					20,800	150
River Channel Walk			300,960	lf					10,032	30
Park construction	14,275,000	7,325,000	8,400,000	acre	57	250,000	29	250,000	34	250,000
Subtotal	**$ 28,603,533**	**$ 24,950,267**	**$ 31,369,160**							

XIII. Economics

The following presents the detailed economic model prepared for the three Bay-to-Bay scenarios, as follows:

- Table Series A – Scenario 1: The Navigable Channel
- Table Series B – Scenario 2: The Non-Tidal Channel
- Table Series C – Scenario 3: The Park System

From a cost perspective, the scenarios vary in land acquisition costs, development costs, maintenance costs, and fiscal service costs. From a revenue perspective, the scenarios vary in the sale or capitalized lease value of remnant parcels, tax increment generation, and other fiscal revenue.

In addition, each scenario has a different phasing schedule associated with it. This affects the timing of costs as well as revenues, which affects the present value of the net income stream associated with each scenario,

The following describes each table presented, which applies to each scenario. The amount surrounded by <brackets> represent costs or deficits.

Table 1 – Preliminary Estimated Cost to Acquire Right-of-Way

Each scenario must acquire property to secure the right-of-way for the Bay-to-Bay link. This requires buying land and buildings. Table 1 presents the estimated total amount of land that must be acquired by land use category, as estimated by WRT, for each scenario.

A development density factor was applied to each land use type in accordance with the Community Plan and the type of development currently prevalent in the area. For example, it is assumed that multi-family housing properties have an average density of 29-units per acre. Government-owned single-family attached housing has a density of 16-units per acre. Commercial properties have an average floor-area ratio of 0.25. Based on these assumptions, the approximate total number of residential units and commercial and industrial building space that may have to be acquired was estimated.

The approximate acquisition costs were based on applying market values to the residential units and commercial and industrial space estimated. The values are based on comparable sales data as reported by DataQuick, Board of Realtors, and CoStar for the zip code area in which the study area is located – 92110. Sales and rents in adjacent zip code areas, such as 92106, were also reviewed. Residential for-sale and rental listings in Realtor.Com were also reviewed. Commercial property values for 2001 and 2002 were reviewed (the latest at the time of the analysis) to ensure an adequate number of comparable sales. The values used in Table 1 are average estimates and do not apply to individual parcels.

The estimated value for buying out existing public land leases was based on an assumed economic value associated with the relevant City-owned parcels that are currently leased to commercial interests. The City would have to purchase the economic value of the lease back from the lessees as well as the value to the tenants of the lessees. An average allowance of 8 percent of estimated gross revenues (based on $250-$300 per square foot), plus $50 per foot for the depreciated value of the lessee's improvements, formed the basis for the cost of buying out existing public land leases. The assumed value of the Sports Arena facility was estimated based on a hypothetical event schedule, estimated event revenues, and assumed rents that are consistent with arena industry standards. These calculations form order-of-magnitude aggregate estimates and do not represent the value of individual land leases.

An allowance equal to 2 percent of total property value was applied for demolition costs. An allowance of 5 percent of value for residential properties, and 20 percent of total value for commercial and industrial properties, was applied for possible relocation and goodwill costs. These are averages, and some individual properties will be higher or lower.

Based on this analysis, the estimated order-of-magnitude right-of-way acquisition costs, in 2003 dollars before applying a discount rate, is as follows:

Scenario 1: Navigable Channel	<$362 million>
Scenario 2: Non-tidal Channel	<$326 million>
Scenario 3: Park System	<$276 million>

Table 2 – Preliminary Estimated Value of Remnant Parcels for Resale

After the Bay-to-Bay link is built, there will be remnant portions of parcels that were purchased for the right-of-way that are no longer needed and may be resold to developers. This will require subdividing the original parcels purchased. Much of the remnant land will have frontage along the Bay-to-Bay corridor, or, at a minimum, will be within walking distance of the corridor. Consequently, lot premiums are expected. It is expected that lot premium percentages will vary for parcels that front larger bodies of water, such as the basin in Scenario 1, and parcels that front recreation corridors.

Table 2 presents the estimated amount of remnant land area that can be resold or leased. The remnant land area is presented for the Sports Arena Parcel, Waterfront Parcels, and Recreation Corridor Parcels, allocated by an assumed land use distribution that is consistent with the Community Plan.

The basis for potential land values is calculated for each land use category. First, total average property value per acre was calculated based on assumed market rents and capitalized net-operating income for income property, and an assumed average of $360,000 per condominium unit, times an assumed average density associated with each land use. The assumed density was 29-units per acre for residential properties, a 0.4

floor-area ratio for retail, and a 1.25 floor-area ratio for office. These densities generally are consistent with the 30-foot height limit in the area, and can accommodate some mix of tuck-under, underground, and surface parking. The rents and condominium values are based on recent comparables and discussions with area brokers.

After calculating estimated total property value per acre for each land use category, the percentage of total value that is attributable to raw land only, net of all improvements, was based on the following assumed percentages:

- Residential – 10% of total property value
- Retail -- 15% of total property value
- Office -- 15% of total property value
- Hotel – 10% of total property value

In addition, some of the backbone infrastructure, regional roads and water and sewer capacity to serve the new land uses are already in place. Developers would still be responsible for internal project streets, hookups, lighting, and amenities, and some improvements to the backbone infrastructure capacity. It was assumed that the existing backbone infrastructure, plus improvements such as major arterials that are included in the Bay-to-Bay development cost estimates, would add another $5,000 in value per residential unit and $150,000 per acre for commercial properties.

After calculating the base land value per acre, amenity premiums were applied to each land use in each of the three areas – the Sports Arena Parcel, Waterfront Parcels, and Recreation Corridor Parcels. The percentage premiums assumed for waterfront parcels were based on discussions with real estate brokers at Coronado Cays, Newport Beach, Naples – Long Beach, and Venice. The percentage premiums for recreational corridors, particularly park scenarios, were based on ERA studies of premiums associated with golf course and greenbelt parcels in planned communities.

The Sports Arena parcels' average premium assumes a blend of parcels with waterfront frontage, recreational corridor frontage, and other remnant parcels that do not have frontage but are within walking distance of the Bay-to-Bay amenity.

Based on this analysis, the estimated order-of-magnitude revenue from the sale of remnant parcels, in 2003 dollars before applying a discount rate, is as follows:

Scenario 1: Navigable Channel	$148 million
Scenario 2: Non-tidal Channel	$168 million
Scenario 3: Park System	$130 million

The amenity premiums, particularly associated with waterfront frontage, add a significant amount to value.

Table 2b – Preliminary Estimated Value of Marina Slips

The estimated value of marina slips only applies to Scenario 1: Navigable Channel. It is estimated that the basin in this scenario can accommodate approximately 415 slips. The slip rates are based on the prevailing rates at marinas with smaller slips. The water lease revenue per slip is based on rates charged by the Port of San Diego. The capitalized value of this revenue equals $3.4 million.

Table 3 – Preliminary Present Value of Project Revenues and Costs

Revenues and costs are incurred over time. This timing varies for each scenario. Therefore, the alternatives must be evaluated by comparing the present value of the net income streams associated with each scenario. Table 3 presents this analysis. The analysis is a constant dollar, discounted cash flow model, with amounts in constant 2003 dollars, so as not to distort the analysis with inflation assumptions or speculative real appreciation assumptions. The discount rate used in the analysis to estimate net present value is 5 percent, representing real (excluding the inflation component of interest) cost of public funds of 2.5 percent, plus 2.5 percent for risk.

Project Costs:

The project costs include the following:

- The cost to acquire properties
- The cost of improvements for the Bay-to-Bay project
- The cost of maintaining the Bay-to-Bay facility

The estimated cost to acquire properties, as presented in Table 1, is distributed over five years. Total Bay-to-Bay improvement costs, as presented earlier in this report, are divided over four years, beginning the fourth year of property acquisition. Annual maintenance costs are not incurred until after the improvements are in place. These ongoing annual costs are capitalized in the terminal year of the cash flow. The order-of-magnitude present values of project costs at a 5% annual discount rate are as follows:

Scenario 1: Navigable Channel	<$574 million>
Scenario 2: Non-tidal Channel	<$433 million>
Scenario 3: Park System	<$325 million>

Project Revenues:

The project revenues include the following:

- The sale or capitalized lease of remnant Sports Arena area parcels
- The sale of other remnant parcels
- The annual revenue from marina slips (where applicable)

The revenue from selling or leasing remnant parcels is presented separately for the Sports Arena area parcels and other remnant parcels that are not within the City's existing Sports Arena area land leases. The revenue from the sale or capitalized lease of remnant Sports Arena area parcels and the other remnant parcels are distributed over four years, beginning the last year Bay-to-Bay improvements are made. Revenues from marina slip rents occur annually. The cash flow capitalizes this annual revenue in the terminal year. The order-of-magnitude present values of project revenues at a 5% annual discount rate are as follows:

Scenario 1: Navigable Channel	$ 95 million
Scenario 2: Non-tidal Channel	$103 million
Scenario 3: Park System	$ 80 million

The estimated present value of the net project cash flow (revenue minus costs), at a 5% annual discount rate, is as follows:

Scenario 1: Navigable Channel	<$480 million>
Scenario 2: Non-tidal Channel	<$330 million>
Scenario 3: Park System	<$245 million>

Table 4 – Estimated Tax Increment

Table 4 attempts to model the flow of tax increment. Since the model is a constant dollar model, existing assessed valuation is not increased by the annual 2 percent rate allowed by Proposition 13. The total assessed valuation of the parcels that would have to be acquired for each scenario was obtained from the County Assessor.

It is assumed that properties will be acquired for the Bay-to-Bay project beginning in 2005, which would affect the following year's valuation. As properties are acquired, the existing assessed valuation declines. Since the properties are being acquired for a public purpose, the acquired properties are withdrawn from the tax rolls, resulting in a negative tax increment.

After the Bay-to-Bay link is built, the remnant parcels are sold or leased, resulting in new development that generates new assessed valuation within the redevelopment project area, which eventually adds to tax increment.

The distribution formula for tax increment used to estimate revenues for the Redevelopment Project Area and the City of San Diego was based on the formula provided by the Redevelopment Agency. Under the Project Area formula, after 2012 the Agency's share of tax increment declines from 75 percent of the increment after housing set-aside funds, to 54 percent. It is assumed that most of the new development that will generate new tax increment does not occur until after 2012.

The estimated present value of the tax increment income stream over the analysis period to the Redevelopment Agency, at a 5% annual discount rate, is as follows:

Scenario 1: Navigable Channel	$24 million
Scenario 2: Non-tidal Channel	$30 million
Scenario 3: Park System	$26 million

The estimated present value of the tax increment income stream over the analysis period to the City of San Diego, at a 5% annual discount rate, is as follows:

Scenario 1: Navigable Channel	$2.4 million
Scenario 2: Non-tidal Channel	$3.0 million
Scenario 3: Park System	$2.6 million

Table 5 – Estimated Sales and Transient Occupancy Taxes

Table 5 attempts to model the flow of sales and transient occupancy taxes. Sales tax revenue will be lost as commercial properties are acquired for the Bay-to-Bay right-of-way. Some taxable sales will probably be transferred to other outlets in San Diego. Therefore, the model assumes that only a portion of the sales tax revenue eliminated in the project area would result in lost revenues to the City.

The development of remnant parcels after the Bay-to-Bay project has been built will include some commercial development that will generate new sales tax revenue. The model assumes that a large share of these sales would be new, mostly to serve the new residents of the district and tourists. However, some of the sales would probably be transfers from other retail outlets in the market area.

Since the amount of new retail space built is much less than the amount of retail space removed, and since the new revenues occur several years after existing revenue is lost, the net impact to the City is negative.

In addition, it is assumed that a new low-rise 300-room hotel associated with the development program will generate transient occupancy tax revenue in later years. The revenue from this hotel, in present value terms, is not sufficient to overcome the lost sales tax revenue in Scenario 1.

The estimated present value of the sales tax and transient occupancy tax income stream over the analysis period to the City of San Diego, at a 5% annual discount rate, is as follows:

Scenario 1: Navigable Channel	<$3.2 million>
Scenario 2: Non-tidal Channel	$0.3 million
Scenario 3: Park System	$1.0 million

Table 6 – Estimated Fiscal Cost to Serve Bay-to-Bay Population and Land Uses

Table 6 presents an order-of-magnitude estimate of fiscal costs to serve the new population, workers, and land uses associated with the Bay-to-Bay project. Based on the City's General Fund budget, a cost factor per Equivalent Dwelling Unit (EDU). An EDU is the normalizing unit that converts workers associated with commercial and industrial land uses into the equivalent of households by dividing total workers by the Citywide average household size. Households equal one EDU. The combined EDU associated with a project is households + (workers/household size).

Based on this simple formula, the number of EDUs citywide was estimated. The City's General Fund budget was divided by the citywide EDU estimate to generate a cost per EDU of approximately $3,500. This factor was then applied to the estimated number of EDU's associated with developing remnant land in each scenario.

This simple approach allows for an approximation of possible fiscal cost impacts. A more rigorous analysis is required that is beyond the scope of this study to refine the fiscal cost estimates.

Also, the fiscal costs estimated to serve the population, workers, and land uses associated with the redevelopment of remnant land would occur whether this population located in the Bay-to-Bay project area, or elsewhere in the city, though the precise cost may vary by location. Therefore, the approximate fiscal costs to serve the population associated with each scenario should not be viewed as a strictly Bay-to-Bay project cost burden.

The estimated present value of the fiscal cost stream over the analysis period to the City of San Diego, at a 5% annual discount rate, is as follows:

Scenario 1: Navigable Channel	<$ 90 million>
Scenario 2: Non-tidal Channel	<$106 million>
Scenario 3: Park System	<$ 88 million>

Table 7 – Summary

Table 7 presents a summary of the present value of revenues and costs, and estimated net deficit, for each Bay-to-Bay project scenario. The fiscal costs associated with serving the population and land uses associated with each scenario are not included.

The estimated present value of the net income stream <deficit> over the analysis period, at a 5% annual discount rate, is as follows:

Scenario 1: Navigable Channel	<$456 million>
Scenario 2: Non-tidal Channel	<$296 million>
Scenario 3: Park System	<$215 million>

TABLE A-1
PRELIMINARY ESTIMATED COST TO ACQUIRE RIGHT-OF WAY

	Total Land Area to be Acquired				Land & Building Acquisition Costs		Related Costs		
	Acres	Sq. Ft. of Land Area			Assumed Average Value	Total Estimated Value	Demolition Allowance	Relocation Allowance[3]	Total Cost
Vacant Land					Per Acre				
Vacant Residential	0.00	0			$409,000	$0	n/a	n/a	$0
Vacant Commercial	0.51	22,296			$1,546,000	$791,316	n/a	n/a	$791,316
Vacant Industrial	0.00	0			$1,277,000	$0	n/a	n/a	$0
Residential Property			Units per Acre[4]	Total Units	Per Unit				
Single Family Residential	0.23	9,832	n.a.	1	$450,000	$450,000	$9,000	$22,500	$481,500
Multi Family Apartments	2.12	92,284	29	61	$102,000	$6,266,652	$125,333	$313,333	$6,705,318
Other Government Property									
Attached SF Residential	3.00	130,680	16	48	$200,000	$9,600,000	$192,000	$480,000	$10,272,000
Commercial/Other Property			FAR	Sq. Ft. of Bldg. Area	Per Sq. Ft. of Bldg. Area				
Retail	79.71	3,472,168	0.25	868,042	$182	$157,983,636	$3,159,673	$31,596,727	$192,740,036
Office/Other Commercial	12.94	563,611	0.25	140,903	$120	$16,908,329	$338,167	$3,381,666	$20,628,162
Light Industrial	2.92	127,298	0.25	31,824	$95	$3,032,723	$60,654	$606,545	$3,699,922
Other4	0.64	28,009	0.25	7,002	$95	$665,223	$13,304	$133,045	$811,572
City Land Leases	66.69	2,905,016				$103,129,204	$2,062,584	$20,625,841	$125,817,628
Total	**168.76**						**$5,960,715**	**$57,159,656**	**$361,947,454**

[1]Estimated based on total area to be acquired with an average FAR of .25.
[2]Assumes an additional 2% of building value.
[3]Assumes an additional 5% on residential properties and 20% on commercial properties (to include goodwill).
4Includes a carwash.
Source: DataQuick, CoStar Comps, area commercial real estate brokers, and Economics Research Associates.

TABLE A-2
PRELIMINARY ESTIMATED VALUE OF REMNANT PARCELS AVAILABLE FOR RESALE[1]

Land Use	Assumed % Distribution	Approximate Acres	Base Land Value Per Acre	Base Land Value Per S.F.	Amenity Premium[2]	Total Value After Premium
City Land Lease Parcels						
Condos/Townhomes	25%	10.13	$1,189,000	$27	45%	$17,464,627
Apartments	25%	10.13	$740,080	$17	45%	$10,870,665
Retail	20%	8.10	$694,465	$16	23%	$6,894,233
Office	20%	8.10	$1,608,389	$37	36%	$17,726,761
Hotel [2]	10%	4.05	$1,604,622	$37	50%	$9,752,894
		40.52	**Subtotal**			**$62,709,180**
Waterfront Parcels [3]						
Condos/Townhomes	35%	1.42	$1,189,000	$27	75%	$2,956,080
Apartments	35%	1.42	$740,080	$17	75%	$1,839,980
Retail	10%	0.41	$694,465	$16	38%	$387,598
Office	15%	0.61	$1,608,389	$37	60%	$1,566,861
Other	5%	0.20	$1,110,051	$25	38%	$309,773
		4.06	**Subtotal**			**$7,060,292**
Recreation Corridor Parcels						
Condos/Townhomes	35%	18.16	$1,189,000	$27	50%	$32,386,780
Apartments	35%	18.16	$740,080	$17	50%	$20,158,796
Retail	10%	5.19	$694,465	$16	25%	$4,503,883
Office	15%	7.78	$1,608,389	$37	40%	$17,524,150
Other	5%	2.59	$1,110,051	$25	25%	$3,599,560
		51.88	**Subtotal**			**$78,173,169**
Total Value						**$147,942,640**

[1]Some parcels purchased will have developable remnants, which must be subdivided and re-sold to private owners.

[2]Hypothetical 300-room hotel.

[3] Waterfront premium assumption based on those experienced in similar projects in Southern California including Naples, Venice, and east-facing lots on Balboa Island; greenbelt premium assumption based on premium for active recreation corridors in Southern California.

Source: CB Richard Ellis, area commercial real estate brokers, DataQuick, CoStar Comps, and Economics Research Associates.

TABLE A-2b
PRELIMINARY ESTIMATED REVENUE FROM MARINA SLIPS

Key Operating Assumptions

Slips (Length):	*#*	*Monthly Rate*	*Average Annual Occupancy*	*Average Annual Revenue*
50'	32	$515	95%	$187,955
40'	38	$393	95%	$170,311
30'	31	$269	95%	$95,063
20'	314	$217	95%	$777,722

Revenue / Expense Projections (Stabilized)

Total Projected Revenues	$1,231,050
% of Gross Revenues to City of San Diego	25%
Annual Lease Revenue	$307,763
CAPITALIZED VALUE OF MARINA SLIPS (Cap Rate Factor 9%)	**$3,419,584**
Project Value Per Slip (415 slips)	**$8,240**

Source: Economics Research Associates.

TABLE A-3
PRELIMINARY ESTIMATED PRESENT VALUE OF PROJECT GENERATED REVENUES AND COSTS
(constant dollar model, net of inflation)

	2003 $
Costs	
Total Cost to Acquire Properties	$361,947,454
Total Cost of Improvements	$283,544,073
Annual Maintenance Costs	$5,100,000
Revenue	
Sale or Capitalized Lease of City Parcels	$62,709,180
Resale of Remnant Lots	$85,233,460
Annual Revenue from Marina Slips	$307,763

			Costs & Revenues Over Time ($2003)					
		2003	2004	2005	2006	2007	2008
Revenue							
Sale or Capitalized Lease of City Parcels		--	$0	$0	$0	$0	$0
Resale of Remnant Lots		--	$0	$0	$0	$0	$0
Revenue from Marina Slips		--	$0	$0	$0	$0	$0
Total Revenue		--	$0	$0	$0	$0	$0
Capitalized Terminal Value @	5.0%						
Revenue Cash Flow		--	$ -	$ -	$ -	$ -	$ -
Present Value of Revenue @	5.0%	$ 94,814,445					
Costs							
Cost to Acquire Properties		--	$0	$72,389,491	$72,389,491	$72,389,491	$72,389,491
Total Improvement Costs		--	$0	$0	$0	$0	$70,886,018
Annual Maintenance Costs		--	$0	$0	$0	$0	$0
Total Costs		--	$0	$72,389,491	$72,389,491	$72,389,491	$143,275,509
Capitalized Terminal Value @	5.0%						
Cost Cash Flow		--	$ -	$ 72,389,491	$ 72,389,491	$ 72,389,491	$ 143,275,509
Present Value of Costs @	5.0%	$ 574,315,112					
Surplus/(Deficit)		--	$ -	$ (72,389,491)	$ (72,389,491)	$ (72,389,491)	$ (143,275,509)
Present Value[1] of Net Surpluse/(Deficit) @	5.0%	$ (479,500,668)					

Source: Economics Research Associates.

TABLE A-3 (concluded)
PRESENT VALUE OF PROJECT AREA ECONOMIC COSTS & REVENUES

Costs & Revenues Over Time ($2003)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
$0	$0	$15,677,295	$15,677,295	$15,677,295	$15,677,295	$0	$0	$0	$0	$0
$0	$0	$0	$21,308,365	$21,308,365	$21,308,365	$21,308,365	$0	$0	$0	$0
$0	$0	$0	$307,763	$307,763	$307,763	$307,763	$307,763	$307,763	$307,763	$307,763
$0	$0	$15,677,295	$37,293,423	$37,293,423	$37,293,423	$21,616,128	$307,763	$307,763	$307,763	$307,763
										$6,155,252
$ -	$ -	$ 15,677,295	$ 37,293,423	$ 37,293,423	$ 37,293,423	$ 21,616,128	$ 307,763	$ 307,763	$ 307,763	$ 6,463,014
$72,389,491	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$70,886,018	$70,886,018	$70,886,018	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000
$143,275,509	$70,886,018	$70,886,018	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000	$5,100,000
										$102,000,000
$ 143,275,509	$ 70,886,018	$ 70,886,018	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 107,100,000
$ (143,275,509)	$ (70,886,018)	$ (55,208,723)	$ 32,193,423	$ 32,193,423	$ 32,193,423	$ 16,516,128	$ (4,792,237)	$ (4,792,237)	$ (4,792,237)	$ (100,636,986)

TABLE A-4
PRELIMINARY ESTIMATE OF PROJECT GENERATED ASSESSED VALUE & TAX INCREMENT TO REDEVELOPMENT AGENCY
(constant dollar model, net of inflation)

	(Constant 2003 Dollars)							
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Changes in Assessed Valuation (AV)								
Existing AV of Project Parcels	$105,862,658	$105,862,658	$105,862,658	$105,862,658	$84,690,126	$63,517,595	$42,345,063	$21,172,532
Less AV of Parcels Acquired in Prior Year	$0	$0	$0	($21,172,532)	($21,172,532)	($21,172,532)	($21,172,532)	($21,172,532)
AV of Parcels After Acquisition	$105,862,658	$105,862,658	$105,862,658	$84,690,126	$63,517,595	$42,345,063	$21,172,532	$0
AV of City Parcels Sold or Leased Prior Year (+)	$0	$0	$0	$0	$0	$0	$0	$0
Additional Possessory Interest of New Bldgs on City Parcels	$0	$0	$0	$0	$0	$0	$0	$0
AV of Other Remnant Parcels Resold Prior Year (+)	$0	$0	$0	$0	$0	$0	$0	$0
Additional AV of New Bldgs on Remnant Parcels	$0	$0	$0	$0	$0	$0	$0	$0
Capitalized Value of Marina Slips	$0	$0	$0	$0	$0	$0	$0	$0
Net Assessed Valuation	$105,862,658	$105,862,658	$105,862,658	$84,690,126	$63,517,595	$42,345,063	$21,172,532	$0
Property Tax on Assessed Value of Prior Year @ 1%	$1,058,627	$1,058,627	$1,058,627	$1,058,627	$846,901	$635,176	$423,451	$211,725
Property Tax Increment from Project	$0	$0	$0	$0	($211,725)	($423,451)	($635,176)	($846,901)
Housing Set-Aside Fund Share (20%)	$0	$0	$0	$0	($42,345)	($84,690)	($127,035)	($169,380)
Balance Prior to Distribution to Taxing Entities (80%)	$0	$0	$0	$0	($169,380)	($338,761)	($508,141)	($677,521)
Distribution of Tax Increment to RDA & City of SD								
Redevelopment Agency[1]	$0	$0	$0	$0	($127,035)	($254,070)	($381,106)	($508,141)
Capitalized Value @ 5% cap rate								
Total	$0	$0	$0	$0	($127,035)	($254,070)	($381,106)	($508,141)
City of San Diego[2]	$0	$0	$0	$0	($8,868)	($17,736)	($26,604)	($35,472)
Capitalized Value @ 5% cap rate								
Total	$0	$0	$0	$0	($8,868)	($17,736)	($26,604)	($35,472)

NET PRESENT VALUE OF TAX INCREMENT TO REDEVELOPMENT AGENCY (2003 $) @	5.0%	$24,457,346
NET PRESENT VALUE OF TAX INCREMENT TO CITY (2003 $) @	5.0%	$2,417,491

[1]From 2003-2012, the Redevelopment Agency receives 75% of Taxing Entity & Redevelopment Agency tax increment (which is the portion remaining after the Housing Set-Aside Fund share is allocated). Beginning in 2013, the Redevelopment Agency receives 54% of Taxing Entity & Redevelopment Agency tax increment.

[2]The City of San Diego receives 20.942190% of the remaining 25% of Taxing Entity & Redevelopment Agency tax increment (which is the portion remaining after the Housing Set-Aside Fund share is allocated). Beginning in 2013, the Redevelopment Agency receives 54% of Taxing Entity & Redevelopment Agency tax increment.

Source: Economics Research Associates

TABLE A-4 (concluded)
PRELIMINARY ESTIMATE OF PROJECT GENERATED ASSESSED VALUE & TAX INCREMENT TO REDEVELOPMENT AGENCY
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2011	2012	2013	2014	2015	2016	2017	2018	2019
$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$15,677,295	$31,354,590	$47,031,885	$62,709,180	$0	$0	$0	$0
$0	$0	$0	$59,201,339	$118,402,678	$177,604,017	$236,805,355	$296,006,694	$296,006,694
$0	$0	$21,308,365	$42,616,730	$63,925,095	$85,233,460	$85,233,460	$85,233,460	$85,233,460
$0	$0	$0	$65,327,324	$130,654,649	$195,981,973	$261,309,297	$326,636,621	$391,963,946
$0	$1,139,861	$2,279,723	$3,419,584	$3,419,584	$3,419,584	$3,419,584	$3,419,584	$3,419,584
$0	$16,817,156	$54,942,678	$217,596,863	$379,111,186	$462,239,034	$586,767,697	$711,296,360	$776,623,685
$0	$0	$168,172	$549,427	$2,175,969	$3,791,112	$4,622,390	$5,867,677	$7,112,964
($1,058,627)	($1,058,627)	($890,455)	($509,200)	$1,117,342	$2,732,485	$3,563,764	$4,809,050	$6,054,337
($211,725)	($211,725)	($178,091)	($101,840)	$223,468	$546,497	$712,753	$961,810	$1,210,867
($846,901)	($846,901)	($712,364)	($407,360)	$893,874	$2,185,988	$2,851,011	$3,847,240	$4,843,470
($635,176)	($635,176)	($384,677)	($219,974)	$482,692	$1,180,434	$1,539,546	$2,077,510	$2,615,474
								$52,309,472
($635,176)	($635,176)	($384,677)	($219,974)	$482,692	$1,180,434	$1,539,546	$2,077,510	$54,924,945
($44,340)	($44,340)	($37,296)	($21,328)	$46,799	$114,448	$149,266	$201,424	$253,582
								$5,071,643
($44,340)	($44,340)	($37,296)	($21,328)	$46,799	$114,448	$149,266	$201,424	$5,325,225

TABLE A-5
PRELIMINARY ESTIMATED SALES TAXES AND TRANSIENT OCCUPANCY TAXES
(constant dollar model, net of inflation)

		(Constant 2003 Dollars)						
		2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Estimated Sales Tax Revenue								
Estimated Decrease in Existing Occupied Retail Space[1]		-	-	(272,287)	(544,574)	(816,860)	(1,089,147)	(1,361,434)
Estimated Loss of Retail Sales[2] @	$225 /(sq.ft.)	$0	$0	($61,264,528)	($122,529,056)	($183,793,584)	($245,058,112)	($306,322,640)
Assumed Net Retail Sales Lost After Transfers @	50%	$0	$0	($30,632,264)	($61,264,528)	($91,896,792)	($122,529,056)	($153,161,320)
Estimated New Retail Space[3]	FAR: 40%	-	-	-	-	-	-	-
Occupancy Rate (%)		95%	95%	95%	95%	95%	95%	95%
Occupied Sq.Ft.		-	-	-	-	-	-	-
Total Estimated Retail Sales[2] @	$300 /(sq.ft.)	$0	$0	$0	$0	$0	$0	$0
Assumed Net Retail Sales After Transfers [4] @	75%	$0	$0	$0	$0	$0	$0	$0
Net Change in Retail Sales		$0	$0	($30,632,264)	($61,264,528)	($91,896,792)	($122,529,056)	($153,161,320)
Net Change in Sales Tax Revenue @	1%	$0	$0	($306,323)	($612,645)	($918,968)	($1,225,291)	($1,531,613)
Estimated Transient Occupancy Tax Revenue (TOT)								
Hotel Rooms		-	-	-	-	-	-	-
Occupancy Rate		0%	0%	0%	0%	0%	0%	0%
Occupied Room Nights/Year		-	-	-	-	-	-	-
Annual Revenue with Av. Daily Room Rate @	$165	$0	$0	$0	$0	$0	$0	$0
Estimated Annual TOT Revenue @	10.5%	$0	$0	$0	$0	$0	$0	$0
Annual Sales Tax & TOT Revenue		$0	$0	($306,323)	($612,645)	($918,968)	($1,225,291)	($1,531,613)
Capitalized Value @	5%							
Net Cash Flow		$0	$0	($306,323)	($612,645)	($918,968)	($1,225,291)	($1,531,613)
Present Value of Annual Sales Tax & TOT Revenue @		**5%**	**($3,181,015)**					

[1]Loss of retail space through acquisition parcels and City leases.

[2]Based on average sales per sq.ft. of $225 for existing and $300 for new.

[3]Based on an FAR of 0.5.

[4]Assumes 80% are new sales generated by development.

Source: Economics Research Associates

TABLE A-5
PRELIMINARY ESTIMATED SALES TAXES AND TRANSIENT OCCUPANCY TAXES
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)	(1,361,434)
($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)	($306,322,640)
($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)	($153,161,320)
-	-	-	59,669	119,339	179,008	238,678	238,678	238,678	238,678
95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
-	-	-	56,686	113,372	170,058	226,744	226,744	226,744	226,744
$0	$0	$0	$17,005,801	$34,011,602	$51,017,402	$68,023,203	$68,023,203	$68,023,203	$68,023,203
$0	$0	$0	$12,754,351	$25,508,701	$38,263,052	$51,017,402	$51,017,402	$51,017,402	$51,017,402
($153,161,320)	($153,161,320)	($153,161,320)	($140,406,970)	($127,652,619)	($114,898,268)	($102,143,918)	($102,143,918)	($102,143,918)	($102,143,918)
($1,531,613)	($1,531,613)	($1,531,613)	($1,404,070)	($1,276,526)	($1,148,983)	($1,021,439)	($1,021,439)	($1,021,439)	($1,021,439)
-	-	-	300	300	300	300	300	300	300
0%	0%	0%	65%	70%	70%	70%	70%	70%	70%
-	-	-	71,175	76,650	76,650	76,650	76,650	76,650	76,650
$0	$0	$0	$11,743,875	$12,647,250	$12,647,250	$12,647,250	$12,647,250	$12,647,250	$12,647,250
$0	$0	$0	$1,233,107	$1,327,961	$1,327,961	$1,327,961	$1,327,961	$1,327,961	$1,327,961
($1,531,613)	($1,531,613)	($1,531,613)	($170,963)	$51,435	$178,979	$306,522	$306,522	$306,522	$306,522
									$6,130,441
($1,531,613)	($1,531,613)	($1,531,613)	($170,963)	$51,435	$178,979	$306,522	$306,522	$306,522	$6,436,964

TABLE A-6
PRELIMINARY ESTIMATED FISCAL COST TO PROVIDE SERVICES TO NEW DEVELOPMENT
(constant dollar model, net of inflation)

				(Constant 2003 Dollars)								
				2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Equivalent Dwelling Units (EDU) Generated by Project[1]												
Resident EDUs												
Residential Units @	29	units/acre		0	0	0	0	0	0	0	0	0
Occupancy Rate				0%	0%	0%	75%	85%	95%	95%	95%	95%
EDUs = Occupied Housing Units (Households)				0	0	0	0	0	0	0	0	0
Employment EDUs												
Retail												
Net New Sq. Ft. of Retail Space After Transfers				0	0	(136,143)	(272,287)	(408,430)	(544,574)	(680,717)	(680,717)	(680,717)
Occupancy Rate				95%	95%	95%	95%	95%	95%	95%	95%	95%
Net Occupied Sq. Ft. of Retail Space				0	0	(129,336)	(258,672)	(388,009)	(517,345)	(646,681)	(646,681)	(646,681)
Employment Generation @	500	sq.ft./employee		0	0	0	(517)	(776)	(1,035)	(1,293)	(1,293)	(1,293)
Office												
Sq. Ft. of Office Space @ FAR:		1.25		0	0	0	0	0	0	0	0	0
Occupancy Rate				0%	0%	0%	0%	0%	0%	0%	0%	0%
Occupied Sq. Ft. of Office Space				0	0	0	0	0	0	0	0	0
Employment Generation @	270	sq.ft./employee		0	0	0	0	0	0	0	0	0
Lodging												
Rooms				0	0	0	0	0	0	0	0	0
Employment Generation @	1	per room		0	0	0	0	0	0	0	0	0
Total Net Employment				0	0	0	(517)	(776)	(1,035)	(1,293)	(1,293)	(1,293)
EDU's Based on Ave. Household Size			2.6	0	0	0	(198)	(297)	(396)	(496)	(496)	(496)
Total EDUs				0	0	0	(198)	(297)	(396)	(496)	(496)	(496)
Fiscal Cost [2] @	$3,529	/EDU		$0	$0	$0	($699,525)	($1,049,288)	($1,399,050)	($1,748,813)	($1,748,813)	($1,748,813)
Capitalized Value @		5%										
Net Fiscal Cost				$0.00	$0	$0	($699,525)	($1,049,288)	($1,399,050)	($1,748,813)	($1,748,813)	($1,748,813)
Present Value of Annual Fiscal Cost @			**5%**	**$90,379,057**								

[1]Based on new households and employment created by development.

[2]Based on the fiscal cost per EDU Citywide in FY2001.

Source: Economics Research Associates.

TABLE A-6
PRELIMINARY ESTIMATED FISCAL COST TO PROVIDE SERVICES TO NEW DEVELOPMENT
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2012	2013	2014	2015	2016	2017	2018	2019
0	345	689	1,034	1,379	1,723	1,723	1,723
95%	80%	85%	90%	95%	95%	95%	95%
0	276	586	931	1,310	1,637	1,637	1,637
(680,717)	(635,965)	(591,213)	(546,461)	(501,709)	(501,709)	(501,709)	(501,709)
95%	95%	95%	95%	95%	95%	95%	95%
(646,681)	(604,167)	(561,652)	(519,138)	(476,623)	(476,623)	(476,623)	(476,623)
(1,293)	(1,208)	(1,123)	(1,038)	(953)	(953)	(953)	(953)
0	128,310	256,620	384,931	513,241	641,551	769,861	898,171
0%	80%	93%	93%	93%	93%	93%	93%
0	102,648	238,657	357,985	477,314	596,642	715,971	835,299
0	380	884	1,326	1,768	2,210	2,652	3,094
0	300	300	300	300	300	300	300
0	300	300	300	300	300	300	300
(1,293)	(528)	61	588	1,115	1,557	1,998	2,440
(496)	(202)	23	225	427	596	766	935
(496)	73	609	1,156	1,737	2,233	2,403	2,572
($1,748,813)	$258,855	$2,149,571	$4,078,378	$6,128,810	$7,881,833	$8,479,423	$9,077,013
							$ 181,540,262
($1,748,813)	$258,855	$2,149,571	$4,078,378	$6,128,810	$7,881,833	$8,479,423	$190,617,275

TABLE A-7
PRELIMINARY SUMMARY ALTERNATIVE 1: NAVIGABLE CHANNEL ALTERNATIVE

Present Value of:	**Surplus/(Deficit) ($ 2003)**
Project Generated Net Revenue (Deficit)	
Project Generated Revenue	$ 94,814,445
Project Costs	(574,315,112)
Project Generated Net Revenue (Deficit)	($479,500,668)
Fiscal Revenue (Deficit)	
Tax Increment Revenue (Deficit) to Redevelopment Agency	$24,457,346
Property Tax Revenue (Deficit) to City of San Diego	$2,417,491
Net Sales Tax & TOT Revenue (Deficit)	($3,181,015)
Net Fiscal Revenue (Deficit)	$23,693,821
Project Deficit Before Fiscal Cost of Services to New Development	**($455,806,846)**

Source: Economics Research Associates.

TABLE B-1
PRELIMINARY ESTIMATED COST TO ACQUIRE RIGHT-OF WAY

	Total Land Area to be Acquired				Land & Building Acquisition Costs		Related Costs		
	Acres	Sq. Ft. of Land Area			Average Value	Total Estimated Value	Cost of Demolition[2]	Relocation Allowance[3]	Total Cost
Vacant Land					Per Acre				
Vacant Residential	0.00	0			$409,000	$0	n/a	n/a	$0
Vacant Commercial	0.51	22,296			$1,546,000	$791,316	n/a	n/a	$791,316
Vacant Industrial	0.00	0			$1,277,000	$0	n/a	n/a	$0
Residential Property			Units per Acre[4]	Total Units	Per Unit				
Single Family Residential	0.00	0	16	0	$450,000	$0	$0	$0	$0
Multi Family Apartments	1.72	74,803	29	50	$102,000	$5,079,573	$101,591	$253,979	$5,435,143
Commercial/Other Property			FAR[4]	Sq. Ft. of Bldg. Area	Per Sq. Ft. of Bldg. Area				
Retail	68.04	2,964,000	0.25	741,000	$182	$134,861,979	$2,697,240	$26,972,396	$164,531,614
Office/Other Commercial	10.44	454,692	0.25	113,673	$120	$13,640,765	$272,815	$2,728,153	$16,641,733
Light Industrial	8.51	370,807	0.25	92,702	$95	$8,834,067	$176,681	$1,766,813	$10,777,562
Other[5]	1.29	56,019	0.25	14,005	$95	$1,330,446	$26,609	$266,089	$1,623,144
City Land Leases	66.69	2,905,016				$103,318,026	$2,066,361	$20,663,605	$126,047,992
Total	**157.20**						**$5,341,297**	**$52,651,035**	**$325,848,504**

[1]Estimated based on total area to be acquired with an average FAR of .25.
[2]Assumes an additional 2% of building value.
[3]Assumes an additional 5% on residential properties and 20% on commercial properties (to include goodwill).
[4]Based on Community Plan allowances.
[5]Includes a carwash.
Source: DataQuick, CoStar Comps, area commercial real estate brokers, and Economics Research Associates.

TABLE B-2

PRELIMINARY ESTIMATED VALUE OF REMNANT PARCELS AVAILABLE FOR RESALE[1]

Land Use	Assumed % Distribution	Approximate Acres	Base Land Value Per Acre	Base Land Value Per S.F.	Amenity Premium[2]	Total Value After Premium
City Land Lease Parcels						
Condos/Townhomes	25%	13.76	$1,189,000	$27	45%	$23,714,308
Apartments	25%	13.76	$740,080	$17	45%	$14,760,711
Retail	20%	11.00	$694,465	$16	23%	$9,361,321
Office	20%	11.00	$1,608,389	$37	36%	$24,070,246
Hotel[2]	10%	5.50	$1,604,622	$37	50%	$13,242,948
		55.02	**Subtotal**			**$85,149,533**
Waterfront Parcels						
Condos/Townhomes	35%	6.30	$1,189,000	$27	75%	$13,110,865
Apartments	35%	6.30	$740,080	$17	75%	$8,160,714
Retail	10%	1.80	$694,465	$16	38%	$1,719,082
Office	15%	2.70	$1,608,389	$37	60%	$6,949,374
Other	5%	0.90	$1,110,051	$25	38%	$1,373,912
		18.00	**Subtotal**			**$31,313,946**
Recreation Corridor Parcels						
Condos/Townhomes	35%	12.02	$1,189,000 #	$27	50%	$21,444,412
Apartments	35%	12.02	$740,080 #	$17	50%	$13,347,839
Retail	10%	3.44	$694,465 #	$16	25%	$2,982,177
Office	15%	5.15	$1,608,389 #	$37	40%	$11,603,348
Other	5%	1.72	$1,110,051 #	$25	25%	$2,383,394
		34.35	**Subtotal**			**$51,761,170**
Total Value						**$168,224,649**

[1]Some parcels purchased will have developable remnants, which must be subdivided and re-sold to private owners.

[2] Waterfront premium assumption based on those experienced in similar projects in Southern California including Naples, Venice, and east-facing lots on Balboa Island; greenbelt premium assumption based on premium for active recreation corridors in Southern California.

[3]Hypothetical 300-room hotel.

Source: CB Richard Ellis, area commercial real estate brokers, DataQuick, CoStar Comps, and Economics Research Associates.

TABLE B-3
PRELIMINARY PRESENT VALUE OF PROJECT GENERATED REVENUES AND COSTS
(constant dollar model, net of inflation)

	2003 $
Costs	
Total Cost to Acquire Properties	$325,848,504
Total Cost of Improvements	$216,876,396
Annual Maintenance Costs	$480,000
Revenue	
Sale or Capitalized Lease of City Parcels	$85,149,533
Resale of Remnant Lots	$83,075,116

			Costs & Revenues Over Time ($2003)					
		2003	2004	2005	2006	2007	2008
Revenue							
Sale or Capitalized Lease of City Parcels		--	$0	$0	$0	$0	$0
Resale of Remnant Lots		--	$0	$0	$0	$0	$0
Total Revenue		--	$0	$0	$0	$0	$0
Capitalized Terminal Value @	5.0%						
Revenue Cash Flow		--	$ -	$ -	$ -	$ -	$ -
Present Value of Revenue @	5.0%	$ 103,490,952					
Costs							
Cost to Acquire Properties		--	$0	$65,169,701	$65,169,701	$65,169,701	$65,169,701
Total Improvement Costs		--	$0	$0	$0	$0	$54,219,099
Annual Maintenance Costs		--	$0	$0	$0	$0	$0
Total Costs		--	$0	$65,169,701	$65,169,701	$65,169,701	$119,388,800
Capitalized Terminal Value @	5.0%						
Cost Cash Flow		--	$ -	$ 65,169,701	$ 65,169,701	$ 65,169,701	$ 119,388,800
Present Value of Costs @	5.0%	$ 433,383,941					
Surplus/(Deficit)		--	$0	($65,169,701)	($65,169,701)	($65,169,701)	($119,388,800)
Present Value[1] of Annual Net Surplus/(Deficit) @	5.0%	$ (329,892,989)					

Source: Economics Research Associates.

TABLE B-3 (concluded)
PRESENT VALUE OF PROJECT AREA ECONOMIC COSTS & REVENUES

	Costs & Revenues Over Time ($2003)										
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
	$0	$0	$21,287,383	$21,287,383	$21,287,383	$21,287,383	$0	$0	$0	$0	$0
	$0	$0	$0	$20,768,779	$20,768,779	$20,768,779	$20,768,779	$0	$0	$0	$0
	$0	$0	$21,287,383	$42,056,162	$42,056,162	$42,056,162	$20,768,779	$0	$0	$0	$0
											$0
	$ -	$ -	$ 21,287,383	$ 42,056,162	$ 42,056,162	$ 42,056,162	$ 20,768,779	$ -	$ -	$ -	$ -
	$65,169,701	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$54,219,099	$54,219,099	$54,219,099	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$480,000	$480,000	$480,000	$480,000	$480,000	$480,000	$480,000	$480,000
	$119,388,800	$54,219,099	$54,219,099	$480,000	$480,000	$480,000	$480,000	$480,000	$480,000	$480,000	$480,000
											$9,600,000
	$ 119,388,800	$ 54,219,099	$ 54,219,099	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ 480,000	$ 10,080,000
	($119,388,800)	($54,219,099)	($32,931,716)	$41,576,162	$41,576,162	$41,576,162	$20,288,779	($480,000)	($480,000)	($480,000)	($10,080,000)

TABLE B-4
PRELIMINARY ESTIMATE OF PROJECT GENERATED ASSESSED VALUE & TAX INCREMENT TO REDEVELOPMENT AGENCY
(constant dollar model, net of inflation)

	(Constant 2003 Dollars)						
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Changes in Assessed Valuation (AV)							
Existing AV of Project Parcels	$114,113,057	$114,113,057	$114,113,057	$114,113,057	$91,290,446	$68,467,834	$45,645,223
Less AV of Parcels Acquired in Prior Year	$0	$0	$0	($22,822,611)	($22,822,611)	($22,822,611)	($22,822,611)
AV of Parcels After Acquisition	$114,113,057	$114,113,057	$114,113,057	$91,290,446	$68,467,834	$45,645,223	$22,822,611
AV of City Parcels Sold or Leased Prior Year (+)	$0	$0	$0	$0	$0	$0	$0
Additional Possessory Interest of New Bldgs on City Parcels	$0	$0	$0	$0	$0	$0	$0
AV of Other Remnant Parcels Resold Prior Year (+)	$0	$0	$0	$0	$0	$0	$0
Additional AV of New Bldgs on Remnant Parcels	$0	$0	$0	$0	$0	$0	$0
Net Assessed Valuation	$114,113,057	$114,113,057	$114,113,057	$91,290,446	$68,467,834	$45,645,223	$22,822,611
Property Tax on Assessed Value @ 1%	$1,141,131	$1,141,131	$1,141,131	$912,904	$684,678	$456,452	$228,226
Property Tax Increment from Project	$0	$0	$0	($228,226)	($456,452)	($684,678)	($912,904)
Housing Set-Aside Fund Share (20%)	$0	$0	$0	($45,645)	($91,290)	($136,936)	($182,581)
Balance Prior to Distribution to Taxing Entities (80%)	$0	$0	$0	($182,581)	($365,162)	($547,743)	($730,324)
Distribution of Tax Increment to RDA & City of SD							
Redevelopment Agency[1]	$0	$0	$0	($136,936)	($273,871)	($410,807)	($547,743)
Capitalized Value @ 5% cap rate							
Total	$0	$0	$0	($136,936)	($273,871)	($410,807)	($547,743)
City of San Diego[2]	$0	$0	$0	($9,559)	($19,118)	($28,677)	($38,236)
Capitalized Value @ 5% cap rate							
Total	$0	$0	$0	($9,559)	($19,118)	($28,677)	($38,236)

NET PRESENT VALUE OF TAX INCREMENT TO REDEVELOPMENT AGENCY (2003 $) @	5.0%	$30,251,265
NET PRESENT VALUE OF TAX INCREMENT TO CITY OF SAN DIEGO (2003 $) @	5.0%	$2,994,616

[1]From 2003-2012, the Redevelopment Agency receives 75% of Taxing Entity & Redevelopment Agency tax increment (which is the portion remaining after the Housing Set-Aside Fund share is allocated). Beginning in 2013, the Redevelopment Agency receives 54% of of Taxing Entity & Redevelopment Agency tax increment.

[2]The City of San Diego receives 20.942190% of the remaining 25% of Taxing Entity & Redevelopment Agency tax increment (which is the portion remaining after the Housing Set-Aside Fund share is allocated). Beginning in 2013, the Redevelopment Agency receives 54% of Taxing Entity & Redevelopment Agency tax increment.

Source: Economics Research Associates

TABLE B-4
PRELIMINARY ESTIMATE OF PROJECT GENERATED ASSESSED VALUE & TAX INCREMENT TO REDEVELOPMENT AGENCY
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
$22,822,611	$0	$0	$0	$0	$0	$0	$0	$0	$0
($22,822,611)	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$21,287,383	$42,574,766	$63,862,150	$85,149,533	$0	$0	$0	$0
$0	$0	$0	$0	$76,446,428	$152,892,856	$229,339,285	$305,785,713	$382,232,141	$382,232,141
$0	$0	$0	$20,768,779	$41,537,558	$62,306,337	$83,075,116	$83,075,116	$83,075,116	$83,075,116
$0	$0	$0	$0	$61,140,107	$122,280,213	$183,420,320	$244,560,426	$305,700,533	$366,840,639
$0	$0	$21,287,383	$63,343,545	$242,986,242	$422,628,939	$495,834,720	$633,421,255	$771,007,790	$832,147,896
$0	$0	$212,874	$633,435	$2,429,862	$4,226,289	$4,958,347	$6,334,213	$7,710,078	$8,321,479
($1,141,131)	($1,141,131)	($928,257)	($507,695)	$1,288,732	$3,085,159	$3,817,217	$5,193,082	$6,568,947	$7,180,348
($228,226)	($228,226)	($185,651)	($101,539)	$257,746	$617,032	$763,443	$1,038,616	$1,313,789	$1,436,070
($912,904)	($912,904)	($742,605)	($406,156)	$1,030,985	$2,468,127	$3,053,773	$4,154,466	$5,255,158	$5,744,279
($684,678)	($684,678)	($556,954)	($219,324)	$556,732	$1,332,789	$1,649,038	$2,243,411	$2,837,785	$3,101,911
									$62,038,210
($684,678)	($684,678)	($556,954)	($219,324)	$556,732	$1,332,789	$1,649,038	$2,243,411	$2,837,785	$65,140,121
($47,796)	($47,796)	($38,879)	($21,264)	$53,978	$129,220	$159,882	$217,509	$275,136	$300,744
									$6,014,889
($47,796)	($47,796)	($38,879)	($21,264)	$53,978	$129,220	$159,882	$217,509	$275,136	$6,315,633

TABLE B-5
PRELIMINARY ESTIMATED SALES TAXES AND TRANSIENT OCCUPANCY TAXES
(constant dollar model, net of inflation)

		(Constant 2003 Dollars)						
		2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Estimated Sales Tax Revenue								
Estimated Decrease in Existing Occupied Retail Space[1]		0	0	(246,878)	(493,757)	(740,635)	(987,514)	(1,234,392)
Estimated Loss of Retail Sales[2] @	$225 /(sq.ft.)	$0	$0	($55,547,635)	($111,095,269)	($166,642,904)	($222,190,539)	($277,738,174)
Assumed Net Retail Sales Lost After Transfers @	50%	$0	$0	($27,773,817)	($55,547,635)	($83,321,452)	($111,095,269)	($138,869,087)
Estimated Retail Space[3]	FAR: 0.4	0	0	0	0	0	0	0
Occupancy Rate (%)		95%	95%	95%	95%	95%	95%	95%
Occupied Sq.Ft.		0	0	0	0	0	0	0
Total Estimated Retail Sales[2] @	$300 /(sq.ft.)	$0	$0	$0	$0	$0	$0	$0
Assumed Net Retail Sales After Transfers [4] @	75%	$0	$0	$0	$0	$0	$0	$0
Net Change in Retail Sales		$0	$0	($27,773,817)	($55,547,635)	($83,321,452)	($111,095,269)	($138,869,087)
Net Change in Sales Tax Revenue	1%	$0	$0	($277,738)	($555,476)	($833,215)	($1,110,953)	($1,388,691)
Estimated Transient Occupancy Tax Revenue (TOT)								
Hotel Rooms		0	0	0	0	0	0	0
Occupancy Rate		0%	0%	0%	0%	0%	0%	0%
Hotel Nights/Year		0	0	0	0	0	0	0
Annual Revenue with Av. Room Rate @	$165	$0	$0	$0	$0	$0	$0	$0
Estimated Annual TOT Revenue @	10.5%	$0	$0	$0	$0	$0	$0	$0
Current Value of Annual Sales Tax & TOT Revenue		$ -	$ -	$ (277,738)	$ (555,476)	$ (833,215)	$ (1,110,953)	$ (1,388,691)
Capitalized Value @	5%							
Net Cash Flow		$ -	$0	($277,738)	($555,476)	($833,215)	($1,110,953)	($1,388,691)
Present Value of Annual Sales Tax & TOT Revenue @		**5%**	**$257,999**					

[1]Loss of retail space through acquisition parcels and City leases..

[2]Based on average sales per sq.ft. of $225 for existing and $300 for new.

[3]Based on an FAR of 0.5.

[4]Assumes 80% are new sales generated by development.

Source: Economics Research Associates

TABLE B-5
PRELIMINARY ESTIMATED SALES TAXES AND TRANSIENT OCCUPANCY TAXES
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)	(1,234,392)
($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)	($277,738,174)
($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)	($138,869,087)
0	0	0	70,740	141,480	212,220	282,960	282,960	282,960	282,960
95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
0	0	0	67,203	134,406	201,609	268,812	268,812	268,812	268,812
$0	$0	$0	$20,160,888	$40,321,776	$60,482,663	$80,643,551	$80,643,551	$80,643,551	$80,643,551
$0	$0	$0	$15,120,666	$30,241,332	$45,361,997	$60,482,663	$60,482,663	$60,482,663	$60,482,663
($138,869,087)	($138,869,087)	($138,869,087)	($123,748,421)	($108,627,755)	($93,507,089)	($78,386,423)	($78,386,423)	($78,386,423)	($78,386,423)
($1,388,691)	($1,388,691)	($1,388,691)	($1,237,484)	($1,086,278)	($935,071)	($783,864)	($783,864)	($783,864)	($783,864)
0	0	0	300	300	300	300	300	300	300
0%	0%	0%	65%	70%	70%	70%	70%	70%	70%
0	0	0	71,175	76,650	76,650	76,650	76,650	76,650	76,650
$0	$0	$0	$11,743,875	$12,647,250	$12,647,250	$12,647,250	$12,647,250	$12,647,250	$12,647,250
$0	$0	$0	$1,233,107	$1,327,961	$1,327,961	$1,327,961	$1,327,961	$1,327,961	$1,327,961
$ (1,388,691)	$ (1,388,691)	$ (1,388,691)	$ (4,377)	$ 241,684	$ 392,890	$ 544,097	$ 544,097	$ 544,097	$ 544,097
									$10,881,940
($1,388,691)	($1,388,691)	($1,388,691)	($4,377)	$241,684	$392,890	$544,097	$544,097	$544,097	$11,426,037

TABLE B-6
PRELIMINARY ESTIMATED FISCAL COST TO PROVIDE SERVICES TO NEW DEVELOPMENT
(constant dollar model, net of inflation)

				(Constant 2003 Dollars)						
				2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Equivalent Dwelling Units (EDU) Generated by Project[1]										
Resident EDUs										
Residential Units @	29	units/acre		0	0	0	0	0	0	0
Occupancy Rate				0%	0%	0%	75%	85%	95%	95%
EDUs = Occupied Housing Units (Households)				0	0	0	0	0	0	0
Employment EDUs										
Retail										
Net New Sq. Ft. of Retail Space After Transfers				0	0	(123,439)	(246,878)	(370,318)	(493,757)	(617,196)
Occupancy Rate (%)				95%	95%	95%	95%	95%	95%	95%
Net Occupied Sq. Ft. of Retail Space				0	0	(117,267)	(234,534)	(351,802)	(469,069)	(586,336)
Employment Generation @	500	sq.ft./employee		0	0	0	(469)	(704)	(938)	(1,173)
Office										
Sq. Ft. of Office Space @ FAR:		1.25		0	0	0	0	0	0	0
Occupancy Rate				0%	0%	0%	0%	0%	0%	0%
Occupied Sq. Ft. of Office Space				0	0	0	0	0	0	0
Employment Generation @	270	sq.ft./employee		0	0	0	0	0	0	0
Lodging										
Rooms				0	0	0	0	0	0	0
Employment Generation @	1	per room		0	0	0	0	0	0	0
Total Net Employment				0	0	0	(469)	(704)	(938)	(1,173)
EDU's Based on Ave. Household Size			2.6	0	0	0	(180)	(270)	(359)	(449)
Total EDUs				**0**	**0**	**0**	**(180)**	**(270)**	**(359)**	**(449)**
Fiscal Cost [2] @	$3,529	/EDU		$0	$0	$0	($634,249)	($951,373)	($1,268,498)	($1,585,622)
Capitalized Value @	5%									
				$0	$0	$0	($634,249)	($951,373)	($1,268,498)	($1,585,622)
Present Value of Annual Fiscal Cost @			**5%**	**$ 105,773,454**						

[1]Based on new households and employment created by development.

[2]Based on the fiscal cost per EDU Citywide in FY2001.

Source: Economics Research Associates.

TABLE B-6
PRELIMINARY ESTIMATED FISCAL COST TO PROVIDE SERVICES TO NEW DEVELOPMENT
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
0	0	0	372	744	1,116	1,489	1,861	1,861	1,861
95%	95%	95%	95%	95%	90%	95%	95%	95%	95%
0	0	0	354	707	1,005	1,414	1,768	1,768	1,768
(617,196)	(617,196)	(617,196)	(564,141)	(511,086)	(458,031)	(404,976)	(404,976)	(404,976)	(404,976)
95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
(586,336)	(586,336)	(586,336)	(535,934)	(485,532)	(435,129)	(384,727)	(384,727)	(384,727)	(384,727)
(1,173)	(1,173)	(1,173)	(1,072)	(971)	(870)	(769)	(769)	(769)	(769)
0	0	0	146,684	293,369	440,053	586,737	733,422	880,106	1,026,790
0%	0%	0%	80%	93%	93%	93%	93%	93%	93%
0	0	0	117,347	272,833	409,249	545,666	682,082	818,499	954,915
0	0	0	435	1,010	1,516	2,021	2,526	3,031	3,537
0	0	0	300	300	300	300	300	300	300
0	0	0	300	300	300	300	300	300	300
(1,173)	(1,173)	(1,173)	(337)	339	945	1,552	2,057	2,562	3,067
(449)	(449)	(449)	(129)	130	362	594	788	982	1,175
(449)	**(449)**	**(449)**	**224**	**837**	**1,367**	**2,009**	**2,556**	**2,749**	**2,943**
($1,585,622)	($1,585,622)	($1,585,622)	$791,597	$2,954,166	$4,824,248	$7,088,310	$9,019,080	$9,702,246	$10,385,411
									$207,708,227
($1,585,622)	($1,585,622)	($1,585,622)	$791,597	$2,954,166	$4,824,248	$7,088,310	$9,019,080	$9,702,246	$218,093,639

TABLE B-7
PRELIMINARY SUMMARY ALTERNATIVE 1:NON-TIDAL CHANNEL ALTERNATIVE

Present Value of:	**Surplus/(Deficit) ($ 2003)**
Project Generated Net Revenue (Deficit)	
Project Generated Revenue	$ 103,490,952
Project Costs	(433,383,941)
Project Generated Net Revenue (Deficit)	($329,892,989)
Fiscal Revenue (Deficit)	
Tax Increment Revenue (Deficit) to Redevelopment Agency	$30,251,265
Property Tax Revenue (Deficit) to City of San Diego	$2,994,616
Net Sales Tax & TOT Revenue (Deficit)	$257,999
Net Fiscal Revenue (Deficit)	$33,503,881
Project Deficit Before Fiscal Cost of Services to New Development	**($296,389,108)**

Source: Economics Research Associates.

TABLE C-1
PRELIMINARY ESTIMATED COST TO ACQUIRE RIGHT-OF WAY

	Acres	Sq. Ft. of Land Area			Land & Building Acquisition Costs: Average Value	Land & Building Acquisition Costs: Total Estimated Value	Related Costs: Cost of Demolition[2]	Related Costs: Relocation Allowance[3]	Total Cost
Vacant Land					**Per Acre**				
Vacant Residential	0.00	0			$409,000	$0	n/a	n/a	$0
Vacant Commercial	0.51	22,296			$1,546,000	$791,316	n/a	n/a	$791,316
Vacant Industrial	0.00	0			$1,277,000	$0	n/a	n/a	$0
Residential Property			**Units per Acre[4]**	**Total Units**	**Per Unit**				
Single Family Residential	0.00	0	16	0	$450,000	$0	$0	$0	$0
Multi Family Apartments	1.72	74,803	29	50	$102,000	$5,079,573	$101,591	$253,979	$5,435,143
Commercial/Other Property			**FAR[4]**	**Sq. Ft. of Bldg. Area**	**Per Sq. Ft. of Bldg. Area**				
Retail	58.37	2,542,630	0.25	635,658	$182	$115,689,673	$2,313,793	$23,137,935	$141,141,401
Office/Other Commercial	8.29	361,167	0.25	90,292	$120	$10,835,005	$216,700	$2,167,001	$13,218,706
Light Industrial	3.08	134,067	0.25	33,517	$95	$3,193,989	$63,880	$638,798	$3,896,667
Other[5]	0.64	28,009	0.25	7,002	$95	$665,223	$13,304	$133,045	$811,572
City Land Leases	66.69	2,905,016				$90,983,226	$1,819,665	$18,196,645	$110,999,536
Total	**139.30**						**$4,528,934**	**$44,527,402**	**$276,294,341**

[1]Estimated based on total area to be acquired with an average FAR of .25.
[2]Assumes an additional 2% of building value.
[3]Assumes an additional 5% on residential properties and 20% on commercial properties (to include goodwill).
[4]Based on Community Plan allowances.
[5]Includes a carwash.
Source: DataQuick, CoStar Comps, area commercial real estate brokers, and Economics Research Associates.

TABLE C-2
PRELIMINARY VALUE OF REMNANT PARCELS AVAILABLE FOR RESALE[1]

Land Use	Assumed % Distribution	Approximate Acres	Base Land Value Per Acre	Base Land Value Per S.F.	Amenity Premium[2]	Total Value After Premium
City Land Lease Parcels						
Condos/Townhomes	25%	10.88	$1,189,000	$27	30%	$16,817,216
Apartments	25%	10.88	$740,080	$17	30%	$10,467,692
Retail	20%	8.70	$694,465	$16	15%	$6,951,318
Office	20%	8.70	$1,608,389	$37	24%	$17,359,276
Hotel[2]	10%	4.35	$1,604,622	$37	15%	$8,030,814
		43.52	**Subtotal**			**$59,626,316**
Recreation Corridor Parcels						
Condos/Townhomes	35%	16.38	$1,189,000	$27	50%	$29,211,568
Apartments	35%	16.38	$740,080	$17	50%	$18,182,420
Retail	10%	4.68	$694,465	$16	25%	$4,062,321
Office	15%	7.02	$1,608,389	$37	40%	$15,806,075
Other	5%	2.34	$1,110,051	$25	25%	$3,246,658
		46.80	**Subtotal**			**$70,509,042**
Total Value						**$130,135,358**

[1]Some parcels purchased will have developable remnants, which must be subdivided and re-sold to private owners.

[2]Based on premium for active recreation corridors in Southern California.

[3]Hypothetical 300-room hotel.

Source: CB Richard Ellis, area commercial real estate brokers, DataQuick, CoStar Comps, and Economics Research Associates.

TABLE C-3
PRELIMINARY PRESENT VALUE OF PROJECT GENERATED REVENUES AND COSTS 1
(constant dollar model, net of inflation)

	2003 $
Costs	
Total Cost to Acquire Properties	$276,294,341
Total Cost of Improvements	$119,375,292
Annual Maintenance Costs	$720,000
Revenue	
Sale or Capitalized Lease of City Parcels	$59,626,316
Resale of Remnant Lots	$70,509,042

			Costs & Revenues Over Time ($2003)					
		2003	2004	2005	2006	2007	2008
Revenue							
Sale or Capitalized Lease of City Parcels		--	$0	$0	$0	$0	$0
Resale of Remnant Lots		--	$0	$0	$0	$0	$0
Total Revenue		--	$0	$0	$0	$0	$0
Capitalized Terminal Value @	5.0%						
Revenue Cash Flow		--	$ -	$ -	$ -	$ -	$ -
Present Value of Revenue @	5.0%	$ 79,871,298					
Costs							
Cost to Acquire Properties		--	$0	$55,258,868	$55,258,868	$55,258,868	$55,258,868
Total Improvement Costs		--	$0	$0	$0	$0	$29,843,823
Annual Maintenance Costs		--	$0	$0	$0	$0	$0
Total Costs		--	$0	$55,258,868	$55,258,868	$55,258,868	$85,102,691
Capitalized Terminal Value @	5.0%						
Cost Cash Flow		--	$ -	$ 55,258,868	$ 55,258,868	$ 55,258,868	$ 85,102,691
Present Value of Costs @	5.0%	$ 324,658,251					
Surplus/(Deficit)		--	$ -	$ (55,258,868)	$ (55,258,868)	$ (55,258,868)	$ (85,102,691)
Present Value1 of Net Surplus/(Deficit) @	5.0%	$ (244,786,953)					

Source: Economics Research Associates.

TABLE C-3 (concluded)
PRESENT VALUE OF PROJECT AREA ECONOMIC COSTS & REVENUES

Costs & Revenues Over Time ($2003)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
$0	$0	$14,906,579	$14,906,579	$14,906,579	$14,906,579	$0	$0	$0	$0	$0
$0	$0	$0	$17,627,261	$17,627,261	$17,627,261	$17,627,261	$0	$0	$0	$0
$0	$0	$14,906,579	$32,533,839	$32,533,839	$32,533,839	$17,627,261	$0	$0	$0	$0
										$0
$ -	$ -	$ 14,906,579	$ 32,533,839	$ 32,533,839	$ 32,533,839	$ 17,627,261	$ -	$ -	$ -	$ -
$55,258,868	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$29,843,823	$29,843,823	$29,843,823	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000
$85,102,691	$29,843,823	$29,843,823	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000
										$14,400,000
$ 85,102,691	$ 29,843,823	$ 29,843,823	$ 720,000	$ 720,000	$ 720,000	$ 720,000	$ 720,000	$ 720,000	$ 720,000	$ 15,120,000
$ (85,102,691)	$ (29,843,823)	$ (14,937,244)	$ 31,813,839	$ 31,813,839	$ 31,813,839	$ 16,907,261	$ (720,000)	$ (720,000)	$ (720,000)	$ (15,120,000)

TABLE C-4
PRELIMINARY ANALYSIS OF PROJECT GENERATED ASSESSED VALUE & TAX INCREMENT TO REDEVELOPMENT AGENCY
(constant dollar model, net of inflation)

	(Constant 2003 Dollars)							
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Changes in Assessed Valuation (AV)								
Existing AV of Project Parcels	$84,041,472	$84,041,472	$84,041,472	$84,041,472	$67,233,178	$50,424,883	$33,616,589	$16,808,294
Less AV of Parcels Acquired in Prior Year	$0	$0	$0	($16,808,294)	($16,808,294)	($16,808,294)	($16,808,294)	($16,808,294)
AV of Parcels After Acquisition	$84,041,472	$84,041,472	$84,041,472	$67,233,178	$50,424,883	$33,616,589	$16,808,294	$0
AV of City Parcels Sold or Leased Prior Year (+)	$0	$0	$0	$0	$0	$0	$0	$0
Additional Possessory Interest of New Bldgs on City Parcels	$0	$0	$0	$0	$0	$0	$0	$0
AV of Other Remnant Parcels Resold Prior Year (+)	$0	$0	$0	$0	$0	$0	$0	$0
Additional AV of New Bldgs on Remnant Parcels	$0	$0	$0	$0	$0	$0	$0	$0
Net Assessed Valuation	$84,041,472	$84,041,472	$84,041,472	$67,233,178	$50,424,883	$33,616,589	$16,808,294	$0
Property Tax on Assessed Value of Prior Year @ 1%	$840,415	$840,415	$840,415	$840,415	$672,332	$504,249	$336,166	$168,083
Property Tax Increment from Project	$0	$0	$0	$0	($168,083)	($336,166)	($504,249)	($672,332)
Housing Set-Aside Fund Share (20%)	$0	$0	$0	$0	($33,617)	($67,233)	($100,850)	($134,466)
Balance Prior to Distribution to Taxing Entities (80%)	$0	$0	$0	$0	($134,466)	($268,933)	($403,399)	($537,865)
Distribution of Tax Increment to RDA & City of SD								
Redevelopment Agency[1]	$0	$0	$0	$0	($100,850)	($201,700)	($302,549)	($403,399)
Capitalized Value @ 5% cap rate								
Total	$0	$0	$0	$0	($100,850)	($201,700)	($302,549)	($403,399)
City of San Diego[2]	$0	$0	$0	$0	($7,040)	($14,080)	($21,120)	($28,160)
Capitalized Value @ 5% cap rate								
Total	$0	$0	$0	$0	($7,040)	($14,080)	($21,120)	($28,160)

NET PRESENT VALUE OF TAX INCREMENT TO REDEVELOPMENT AGENCY (2003 $) @	5.0%	$26,129,446
NET PRESENT VALUE OF TAX INCREMENT TO CITY OF SAN DIEGO (2003 $) @	5.0%	$2,570,078

[1]From 2003-2012, the Redevelopment Agency receives 75% of Taxing Entity & Redevelopment Agency tax increment (which is the portion remaining after the Housing Set-Aside Fund share is allocated). Beginning in 2013, the Redevelopment Agency receives 54% of of Taxing Entity & Redevelopment Agency tax increment.

[2]The City of San Diego receives 20.942190% of the remaining 25% of Taxing Entity & Redevelopment Agency tax increment (which is the portion remaining after the Housing Set-Aside Fund share is allocated). Beginning in 2013, the Redevelopment Agency receives 54% of Taxing Entity & Redevelopment Agency tax increment.

Source: Economics Research Associates

TABLE C-4
PRELIMINARY ANALYSIS OF PROJECT GENERATED ASSESSED VALUE & TAX INCREMENT TO REDEVELOPMENT AGENCY
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2011	2012	2013	2014	2015	2016	2017	2018	2019
$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$14,906,579	$29,813,158	$44,719,737	$59,626,316	$59,626,316	$59,626,316	$59,626,316	$59,626,316
$0	$0	$0	$62,769,288	$125,538,577	$188,307,865	$251,077,154	$313,846,442	$313,846,442
$0	$0	$17,627,261	$35,254,521	$52,881,782	$70,509,042	$70,509,042	$70,509,042	$70,509,042
$0	$0	$0	$54,647,275	$109,294,549	$163,941,824	$218,589,099	$273,236,373	$327,883,648
$0	$14,906,579	$47,440,418	$197,390,821	$347,341,223	$482,385,047	$599,801,610	$717,218,173	$771,865,448
$0	$0	$149,066	$474,404	$1,973,908	$3,473,412	$4,823,850	$5,998,016	$7,172,182
($840,415)	($840,415)	($691,349)	($366,011)	$1,133,493	$2,632,998	$3,983,436	$5,157,601	$6,331,767
($168,083)	($168,083)	($138,270)	($73,202)	$226,699	$526,600	$796,687	$1,031,520	$1,266,353
($672,332)	($672,332)	($553,079)	($292,808)	$906,795	$2,106,398	$3,186,749	$4,126,081	$5,065,414
($504,249)	($504,249)	($298,663)	($158,117)	$489,669	$1,137,455	$1,720,844	$2,228,084	$2,735,323
								$54,706,467
($504,249)	($504,249)	($298,663)	($158,117)	$489,669	$1,137,455	$1,720,844	$2,228,084	$57,441,790
($35,200)	($35,200)	($28,957)	($15,330)	$47,476	$110,281	$166,844	$216,023	$265,202
								$5,304,043
($35,200)	($35,200)	($28,957)	($15,330)	$47,476	$110,281	$166,844	$216,023	$5,569,245

TABLE C-5
PRELIMINARY ESTIMATED SALES TAXES AND TRANSIENT OCCUPANCY TAXES
(constant dollar model, net of inflation)

			(Constant 2003 Dollars)					
			2003	**2004**	**2005**	**2006**	**2007**	**2008**
Estimated Sales Tax Revenue								
Estimated Decrease in Existing Occupied Retail Space[1]			0	0	(225,810)	(451,620)	(677,430)	(903,240)
Estimated Loss of Retail Sales[2] @	$225 /(sq.ft.)		$0	$0	($50,807,230)	($101,614,459)	($152,421,689)	($203,228,918)
Assumed Net Retail Sales Lost After Transfers @	50%		$0	$0	($25,403,615)	($50,807,230)	($76,210,844)	($101,614,459)
Estimated New Retail Space[3]	FAR: 0.4		0	0	0	0	0	0
Occupancy Rate (%)			95%	95%	95%	95%	95%	95%
Occupied Sq.Ft. New			0	0	0	0	0	0
Total Estimated Gain in Retail Sales[2] @	$300 /(sq.ft.)		$0	$0	$0	$0	$0	$0
Assumed Net Retail Sales After Transfers [4] @	75%		$0	$0	$0	$0	$0	$0
Net Change in Retail Sales			$0	$0	($25,403,615)	($50,807,230)	($76,210,844)	($101,614,459)
Net Change in Sales Tax Revenue @		1%	$0	$0	($254,036)	($508,072)	($762,108)	($1,016,145)
Estimated Transient Occupancy Tax Revenue (TOT)								
Hotel Rooms			0	0	0	0	0	0
Occupancy Rate			0%	0%	0%	0%	0%	0%
Occupied Room Nights/Year			0	0	0	0	0	0
Annual Revenue with Av. Room Rate @	$165		$0	$0	$0	$0	$0	$0
Estimated Annual TOT Revenue @	10.5%		$0	$0	$0	$0	$0	$0
Current Value of Annual Sales Tax & TOT Revenue			$0	$0	($254,036)	($508,072)	($762,108)	($1,016,145)
Capitalized Value @	5%							
Net Cash Flow			$0	$0	($254,036)	($508,072)	($762,108)	($1,016,145)
Present Value of Annual Sales Tax & TOT Revenue @			**5%**	**$996,956**				

[1]Loss of retail space through acquisition parcels and City leases..

[2]Based on average sales per sq.ft. of $225 for existing and $300 for new.

[3]Based on an FAR of 0.5.

[4]Assumes 80% are new sales generated by development.

Source: Economics Research Associates

TABLE C-5
PRELIMINARY ESTIMATED SALES TAXES AND TRANSIENT OCCUPANCY TAXES
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)	(1,129,050)
($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)	($254,036,148)
($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)
0	0	0	0	58,299	116,598	174,898	233,197	233,197	233,197	233,197
95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
0	0	0	0	55,384	110,768	166,153	221,537	221,537	221,537	221,537
$0	$0	$0	$0	$16,615,271	$33,230,541	$49,845,812	$66,461,083	$66,461,083	$66,461,083	$66,461,083
$0	$0	$0	$0	$12,461,453	$24,922,906	$37,384,359	$49,845,812	$49,845,812	$49,845,812	$49,845,812
($127,018,074)	($127,018,074)	($127,018,074)	($127,018,074)	($114,556,621)	($102,095,168)	($89,633,715)	($77,172,262)	($77,172,262)	($77,172,262)	($77,172,262)
($1,270,181)	($1,270,181)	($1,270,181)	($1,270,181)	($1,145,566)	($1,020,952)	($896,337)	($771,723)	($771,723)	($771,723)	($771,723)
0	0	0	0	300	300	300	300	300	300	300
0%	0%	0%	0%	65%	70%	70%	70%	70%	70%	70%
0	0	0	0	71,175	76,650	76,650	76,650	76,650	76,650	76,650
$0	$0	$0	$0	$11,743,875	$12,647,250	$12,647,250	$12,647,250	$12,647,250	$12,647,250	$12,647,250
$0	$0	$0	$0	$1,233,107	$1,327,961	$1,327,961	$1,327,961	$1,327,961	$1,327,961	$1,327,961
($1,270,181)	($1,270,181)	($1,270,181)	($1,270,181)	$87,541	$307,010	$431,624	$556,239	$556,239	$556,239	$556,239
										$11,124,773
($1,270,181)	($1,270,181)	($1,270,181)	($1,270,181)	$87,541	$307,010	$431,624	$556,239	$556,239	$556,239	$11,681,011

TABLE C-6
PRELIMINARY ESTIMATED FISCAL COST TO PROVIDE SERVICES TO NEW DEVELOPMENT
(constant dollar model, net of inflation)

				(Constant 2003 Dollars)								
				2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Equivalent Dwelling Units (EDU) Generated by Project[1]												
Resident EDUs												
Residential Units @	29	units/acre		0	0	0	0	0	0	0	0	0
Occupancy Rate				0%	0%	0%	75%	85%	85%	95%	95%	95%
EDUs = Occupied Housing Units (Households)				0	0	0	0	0	0	0	0	0
Employment EDUs												
Retail												
Net New Sq. Ft. of Retail Space After Transfers				0	0	(112,905)	(225,810)	(338,715)	(451,620)	(564,525)	(564,525)	(564,525)
Occupancy Rate (%)				95%	95%	95%	95%	95%	95%	95%	95%	95%
Net Occupied Sq. Ft. of Retail Space				0	0	(107,260)	(214,519)	(321,779)	(429,039)	(536,299)	(536,299)	(536,299)
Employment Generation @	500	sq.ft./employee		0	0	0	(429)	(644)	(858)	(1,073)	(1,073)	(1,073)
Office												
Sq. Ft. of Office Space @ FAR:		1.25		0	0	0	0	0	0	0	0	0
Occupancy Rate				0%	0%	0%	0%	0%	0%	0%	0%	0%
Occupied Sq. Ft. of Commercial Space				0	0	0	0	0	0	0	0	0
Employment Generation @	270	sq.ft./employee		0	0	0	0	0	0	0	0	0
Lodging												
Rooms				0	0	0	0	0	0	0	0	0
Employment Generation @	1	per room		0	0	0	0	0	0	0	0	0
Total Net Employment				0	0	0	(429)	(644)	(858)	(1,073)	(1,073)	(1,073)
EDU's Based on Ave. Household Size			2.6	0	0	0	(164)	(247)	(329)	(411)	(411)	(411)
Total EDUs				**0**	**0**	**0**	**(164)**	**(247)**	**(329)**	**(411)**	**(411)**	**(411)**
Fiscal Cost [2] @	$3,529	/EDU		$0	$0	$0	($580,122)	($870,184)	($1,160,245)	($1,450,306)	($1,450,306)	($1,450,306)
Capitalized Value @	5%											
				$0	$0	$0	($580,122)	($870,184)	($1,160,245)	($1,450,306)	($1,450,306)	($1,450,306)
Present Value of Annual Fiscal Cost @			5%	$87,976,028								

[1]Based on new households and employment created by development.

[2]Based on the fiscal cost per EDU Citywide in FY2001.

Source: Economics Research Associates.

TABLE C-6
PRELIMINARY ESTIMATED FISCAL COST TO PROVIDE SERVICES TO NEW DEVELOPMENT
(constant dollar model, net of inflation)

(Constant 2003 Dollars)

2012	2013	2014	2015	2016	2017	2018	2019
0	316	632	949	1,265	1,581	1,581	1,581
95%	95%	95%	90%	95%	95%	95%	95%
0	300	601	854	1,202	1,502	1,502	1,502
(564,525)	(520,800)	(477,076)	(433,352)	(389,627)	(389,627)	(389,627)	(389,627)
95%	95%	95%	95%	95%	95%	95%	95%
(536,299)	(494,760)	(453,222)	(411,684)	(370,146)	(370,146)	(370,146)	(370,146)
(1,073)	(990)	(906)	(823)	(740)	(740)	(740)	(740)
0	122,306	244,612	366,919	489,225	611,531	733,837	856,144
0%	80%	93%	93%	93%	93%	93%	93%
0	97,845	227,490	341,234	454,979	568,724	682,469	796,213
0	362	843	1,264	1,685	2,106	2,528	2,949
0	300	300	300	300	300	300	300
0	300	300	300	300	300	300	300
(1,073)	(327)	236	740	1,245	1,666	2,087	2,509
(411)	(125)	90	284	477	638	800	961
(411)	**175**	**691**	**1,137**	**1,679**	**2,140**	**2,302**	**2,463**
($1,450,306)	$617,782	$2,439,478	$4,014,162	$5,923,619	$7,553,358	$8,122,985	$8,692,613
							$173,852,256
($1,450,306)	$617,782	$2,439,478	$4,014,162	$5,923,619	$7,553,358	$8,122,985	$182,544,868

TABLE C-7
PRELIMINARY SUMMARY ALTERNATIVE 3: PARK SYSTEM LINK ALTERNATIVE

Present Value of:	**Surplus/(Deficit) ($ 2003)**
Project Generated Net Revenue (Deficit)	
Project Generated Revenue	$ 79,871,298
Project Costs	(324,658,251)
Project Generated Net Revenue (Deficit)	($244,786,953)
Fiscal Revenue (Deficit)	
Tax Increment Revenue (Deficit) to Redevelopment Agency	$26,129,446
Property Tax Revenue (Deficit) to City of San Diego	$2,570,078
Net Sales Tax & TOT Revenue (Deficit)	$996,956
Net Fiscal Revenue (Deficit)	$29,696,479
Project Deficit Before Fiscal Cost of Services to New Development	**($215,090,473)**

Source: Economics Research Associates.

XIV. PUBLIC MEETINGS AND INPUT

Public Meeting #1
AGENDA

Thursday May 2, 2002

7:00- 8:30 P.M.
Peninsula Community Service Center

AGENDA

7:00 Welcome & Introduction - City of San Diego
Jamal Batta, Study Manager

7:05 Study Goals and Objectives – Wallace Roberts & Todd
Kathleen Garcia, Principal in Charge
Laura Burnett, Study Director
- Study Area, North Bay Redevelopment Area
- Study background
- Strategy of testing alternatives

7:10 Study Schedule of Public Input and Presentations

7:20 Information Collected to Date
- Documents
- Interviews with Permitees
- Precedents found in other cities
- What additional documents should we be reviewing?

7:30 Discussion of the Issues, Obstacles and Opportunities for the Area

8:25 Summary of the evening's discussion

Public Meeting #1
Sign in Please

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.
o Resident of the Study Area o Business owner in Study Area
o Property owner in Study Area o Employed in the Study Area
o Property owner in Redevelopment Area
o Representative of _____
……

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.
o Resident of the Study Area o Business owner in Study Area
o Property owner in Study Area o Employed in the Study Area
o Property owner in Redevelopment Area
o Representative of _____
……

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.
❑ Resident of the Study Area ❑ Business owner in Study Area
❑ Property owner in Study Area ❑ Employed in the Study Area
❑ Property owner in Redevelopment Area
❑ Representative of _____

Public Meeting #1

Community Comment

_____

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_____

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_____

_____

_____

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.

❏ Resident of the Study Area
❏ Business owner in Study Area
❏ Property owner in Study Area
❏ Employed in the Study Area
❏ Property owner in Redevelopment Area
❏ Representative of _____

Please return your comments to :

Jamal Batta, Project Manager, City of San Diego
Engineering Department, Transportation and Drainage Division
1010 Second Avenue, 12th Floor, San Diego, CA 92101
Fax 619-533-3071

Public Meeting #1 Summary of Participant's Comments

Urban Design
- This central location is a quality of life black hole.
- Plan to improve the quality of life. – Make it a place where we want to go.
- Do not want an entertainment theme.
- Walkability is very poor.

Environment
- Consider Mission Bay, Multiple Species Conservation Program (MSCP) and the impact to wetlands, endangered species and sediment deposits.
- The water is polluted, fix the sewers. We should stop building until we can supply proper services.
- The water in the bays and ocean is toxic.
- Contact Michael Pallimary, a civil engineer who has the history of attempts to connect the bays. His research of historical records show that it can not be done hydrographically.
- Need to see the technical information on the underground utilities, etc.
- Consider salt-water wetlands to provide habitat and improve aesthetics, i.e. Lake Merritt in Oakland.
- Plan for bioremediation to help urban runoff. Plan for on-site water reclamation like at Santee Lakes.
- Protection of wetlands and shallow sub-tidal habitat and endangered species;
- Don't contribute to sedimentation
- Avoid conflicts with infrastructure
- Plan to improve water quality by cleaning the urban runoff.
- Look at additional documents: Sea World Master Plan and EIR, (toxic dump at Sea World); Mission Bay Natural Resources Management and Plan for Flood Control Channel; MSCP Subarea Plan

Transportation
- Traffic in Midway on the weekends is impossible. Don't create more traffic.
- Need public transit – how can we afford a canal when we can't afford public transit?
- Coastal access is important – consider the impact of construction.
- A canal will impact traffic.
- Plan circulation routes and work aesthetics around them.
- Waterway could help in a commuter system.
- Solve the traffic problems

Land Use

- Provide more parks and open space. Meet the City's standards for parks. The Study be looking at the best use, i.e. open space, parks, etc. Consider a string of parks. Consider a model boat pond. Provide outdoor exercise facilities.
- No more commercial uses because traffic is already impossible.
- Plan for affordable housing. Low wage people need to live somewhere too. Don't displace the military housing. Should be able to live and work in the area.
- Don't need anymore hotels and tourist type facilities. Eleven hotels are planned for Mission Bay. We don't need anymore hotels.
- Small business areas should not get evicted. Provide for incubator businesses. Improve the quality of life; provide for families and business.
- The 30' height limit should be examined with the possibility of areas of +/- 40' heights.
- Adult entertainment is a problem.

Economics

- The Redevelopment Agency defines the area as economic blight. There is no blight.
- Where will we get the money to do anything?
- The development at the Naval Training Center is being driven by greed. NTC was supposed to be like Balboa Park
- Who really will benefit? Developers or residents?Provide benefits for San Diegians. Tidelands are owned by the people, for the people, not for big business or political power.
- Determine the feasibility of a park instead of a commercial zone.
- This is a major shopping hub. Is that who is behind this study? It doesn't make sense for the City to develop non-revenue producing uses.

Study Process

- The consultant should meet with the Midway Community Planning Group. Approach each individual planning board. The project is in the Midway planning area and should consider the needs of the adjacent areas. The school board should be consulted.
- Provide a forum for citizen's input. The process needs to meet in a larger room, with no table to encourage participation.
- The process must not be another 'bait & switch'. City Council does not listen to the citizens. Council member Wear should be here. Inform all people who care about the community. The public must vote before agreeing to implement a channel.
- We must not be negative, keep an open mind. This is the right approach to plan public property. Vision is needed for the public lands. The concept should be explored with vision. Mission Bay and Balboa Park were visionary. Keep the door open to ideas. Have vision and courage – don't give away the benefits
- Law suits will be brought on to fight eminent domain.

Public Meeting #2
AGENDA

Thursday September 19, 2002

Wednesday October 10, 2002 - Repeat

7:00- 8:30 P.M.
Peninsula Community Service Center

AGENDA

7:00 Welcome & Introduction, City of San Diego
Jamal Batta, Study Manager

7:05 Review of Progress, Wallace Roberts & Todd
Kathleen Garcia, Principal in Charge
Laura Burnett, Study Director

- Background of the Study
- Goals and Methodology
- Schedule for the Study
- Existing Conditions and Issues
- Draft Feasibility Criteria
- Concept Alternatives

7:45 Discussion of the Draft Feasibility Criteria and Concept Alternatives

8:25 Summary of the evening's discussion

Public Meeting #2
Sign in Please

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.
❏ Resident of the Study Area ❏ Business owner in Study Area
❏ Property owner in Study Area ❏ Employed in the Study Area
❏ Representative of _____
……

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.
❏ Resident of the Study Area ❏ Business owner in Study Area
❏ Property owner in Study Area ❏ Employed in the Study Area
❏ Representative of _____
……

Name: _____

Phone Number _____

Mailing Address _____

E-Mail Address _____

Please check the boxes that apply to you.
❏ Resident of the Study Area ❏ Business owner in Study Area
❏ Property owner in Study Area ❏ Employed in the Study Area
❏ Representative of _____

Public Meeting #2 - Repeat

Summary of Participant's Comments

1. Are there additional opportunities and constraints that should be considered in the alternatives?

_____

_____

_____

_____

_____

2. Are there additional criteria to evaluate the feasibility of each alternative?

_____

_____

_____

_____

_____

3. Other comments?

_____

_____

_____

_____

_____

Name: _____

Thank you, please return your comments to :

Jamal Batta, Project Manager, City of San Diego
Engineering Department, Transportation and Drainage Division
1010 Second Avenue, 12th Floor, San Diego, CA 92101
Fax 619-533-3071

Public Meeting #2
Summary of Participant's Comments
Notes organized in categories.

Public Meeting #2
Peninsula Community Service Center
Thursday September 19, 2002
7:00- 8:30 P.M.

REPEAT Public Meeting #2

Peninsula Community Service Center
Wednesday October 2, 2002
7:00- 8:30 P.M.

STUDY PROCESS

- These are wonderful ideas. We need a better way for community input.
- Residents of Orchard Tree Apartments were not notified of this meeting.
- Like these ideas and the big vision, but concerned about community input.
- Welcome the opportunity to improve this community. We can stand improvements. The problems include too many, poorly located curb cuts, incompatible land uses, traffic congestion. Midway, now, is not a neighborhood. Midway has been dumped on for many years. The planning groups need input, they are the elected representatives of the communities.
- Applaud the efforts for a comprehensive detailed work. It is very exciting. The three alternatives open a vista of possibilities. If we need anything it is vision. We have been too long working on short-term patchwork solutions. A good vision must help improve the quality of life for San Diegans. Like our forefathers did form Balboa Park, Mission Bay; to benefit the community, not a project for the rich or tourists.
- The City and its consultant are not being honest. The community planning groups must be involved. The public must be notified. We need a larger meeting space.
- Guarantee it will go on the ballot.
- The RFP shows the city's intentions. For example, the public / private partnership at NTC is without amenities and vision.
- How much is the consultant being paid?
- Make sure the Beacon and Union Tribune are notified, invite the whole city, check your mailing list.
- The RFQ is confusing this Study.
- Is there a conflict of interest from the Planning Commission?
- A previous study done for Mayor O'Connor concluded that a navigable channel was not feasible.
- Use common sense, look to the future.
- Good examples of visionary work in San Diego include the County Administration Center, built in a blighted waterfront.
- San Diego seems to have a hard time negotiating, don't give away the public amenities.

LAND USE & URBAN DESIGN

- Explore the alignment of the channel north of Kurtz.
- Criteria should be included, if it is not already, to address existing senior housing.
- Criteria should include no net loss of public land.
- Criteria should address the current thirty foot height limit in its functions and impact.
- Criteria for affordable housing, not just the rich.
- Appreciate the work. The parks alternative is not visionary enough. Like the alternatives that maximize the waterfront opportunities.
- Need specific assurance that the Orchard Tree Apartments will not change.
- Criteria should heavily value public access. Private docks are a bad example.
- Please show a map of the public owned land.
- Criteria should include safety, i.e. Coast Guard and long term maintenance.
- This study will be valuable if it includes the comprehensive history of events.
- Vision must be driven by modern issues, in touch with the natural and cultural resources. Don't use the usual standards.
- West of 5 is built out. No more.
- Prioritize phasing of the overall vision.
- Love the greenbelt and open space and the idea of non-motorized use for a serene experience.
- MCRD and the Navy will not allow any use of their land.
- Enhance the streets with planting. Consider Madrid's multi-lane streets.
- Current park land shortage on the Peninsula.
- Provide link to Famosa Slough.

ENGINEERING

- Address the high-power transmission lines, fuel lines.
- It is great to have an overall plan but we need to fix the current problems.
- The daily tidal fluctuation is 7'-2". Sedimentation accumulation will be a problem.

ECOLOGY

- Happy with the non-navigable channel alternatives, and maybe feasible with the southern access to San Diego Bay. The San Diego River channel is one of the most productive habitats in the region.
- In the non-tidal alternative, consider the use of reclaimed or salt water. Potable water in a coastal desert is too valuable to waste.
- Toxins must be considered in the Study.
- Hazardous materials are a serious issue.
- Water quality on the beaches is very bad.
- Parks must be functional and safe. Make certain they are not endangered by traffic, noise, fumes, etc.
- Water quality is important, when the wind blows from the beach it stinks in Midway.

TRANSPORTATION

- Rosecrans traffic congestion during construction will be a big problem.

- Criteria should address construction disturbance and traffic congestion
- We need a cumulative report of traffic impacts addressing Sea World, NTC, the Airport. Nothing should be funded until it is done.
- Transportation must be considered in concert with development at Sea World, NTC, the Airport.
- Emergency access to/from Point Loma is critical.
- Don't increase traffic congestion, fix the transit problems first.
- The idea of a parkway along Rosecrans is good. It could give us something to be proud of.
- Water taxis in other cities, i.e. Vancouver, are a very pleasant way to travel. It would be a wonderful way to diversify and accentuate the San Diego Waterfront. They must be linked to transit.
- The Peninsula Planning Board is working toward a transit corridor down Rosecrans (not just the one lane extension)
- Rosecrans should have dedicated lanes for transit.
- Prefer non-motorized boats.
- This must be an essential link to the San Diego River.
- Transit designed along/within the 'La Playa' parkway would be good.

ECONOMICS

- This project is a boondoggle for the rich people, instead of spending public money on schools, police, etc.
- The community's experience with the conversion of the Naval Training Center has been problematic, i.e. the developer/City pushing the limits of 30' height, the idea of the 'Village'. It is not fare for Point Loma residents to have to pay. Not fare for tenants such a Dixie Line Lumber to have their leases taken away. Against another public land give-away.
- Criteria should include balance of financing with affordable housing.
- The Study should address how the alternatives will be paid for.
- The City's RFQ requirements include provisions for affordable housing, hazardous materials, etc. Developers are not lining up because of the difficulties.
- Buildings taller than 3 stories are not affordable housing.
- This is disingenuous, rents will go up.
- The interruption of business should be considered.
- There should be no net loss of public land
- Criteria should value modest development, incrementally developed by the City to avoid the current problems at NTC.
- The Peninsula Community depends on the commercial and industrial activity of Midway.
- Taking of private land through eminent domain would be very bad.
- Criteria for financing improvements is very important.
- There should be no net gain west of Interstate 5.
- An increase of population requires increase of needs. Our parks are a joke. Proposed give-away of high rise towers is a bad idea.
- Condemnation for redevelopment is bad. They use an illusion of 'fare market value'.
- Eminent domain will bring on legal battles.
- The State's redevelopment budget is in great deficit. Who will own San Diego? The 95 acres of public land entrusted to the City must be maintained for the good of all.

XV. PERMITEES AND SUMMARY OF COMMENTS

1. ARMY CORPS OF ENGINEERS

Rob Lawrence
Regulatory Branch
16885 West Bernardo Drive
Suite 300A
San Diego, CA 92127
858-674-5384
Fax 858-6745388

Terry Dean
Regulatory Branch
16885 West Bernardo Drive
Suite 300A
San Diego, CA 92127
858-674-5386
Fax 858-6745388

Mr. Lawrence suggests consideration of the audience, i.e. will the Coast Guard, Navy or Port use the navigable channel. He and Terry Dean (responsible for City projects) would like to review alternatives and offer comments.

2. CALIFORNIA COASTAL COMMISSION

Sherilyn Sar
District Manager
7575 Metropolitian Drive
Suite 103
San Diego 92108-4421
619-767-2370

Ms. Sar would like to review the alternatives at key points in the study process and offer comments.

3. CITY OF SAN DIEGO

Coleen Frost Clementson
Program Manager
San Diego City Planning Department
202 C Street, MS5A
San Diego, CA 92101

4/18/02 Meeting with City Planning staff. Real Estate Assets has put forth an RFQ for the Sports Arena site to developers. Scripps Hospital is to be redeveloped for residential. Numerous projects are ongoing through the neighborhood groups i.e. street trees, banners etc. Problems in the area include traffic congestion, adult entertainment, housing, quality of life. The area is

identified to be an "Urban Village Center." The 30' height limit should be explored for strategic locations based on solid criteria. Additional contacts were provided.
LB contacted Kurt Hunker, consultant to one of the groups and provided information about the scope of the Bay to Bay Study, to date have not heard back from him.

4. HOUSING AUTHORITY

Betsy Morris
231-9400 X 7531

Susan Baldwin
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101
(619) 595-5343

Susan agreed that housing will be an important component to the community. Other contacts provided include George Frank 298-2541.

5. Marine Corps Training Depot (MCRD)

Public Works Branch
Sharon Smith, Architect
Supervisory General Engineer
Bldg. 224
619.524.4363

Clifford O. Myers, III
Assistant Chief of Staff
Community Liaison/Manpower, G-1
Marine Corps Recruit Depot/Western Recruiting Region
1600 Henderson Avenue
Bldg. 31, Suite 222
San Diego, CA 92140
619-524-8731
Fax 619-524-8210

4/25/02 Meeting with Ms. Smith and Mr. Myers. The Marines are not interested in giving up their property for a channel. A plan was provided by Mr. Meyers for the Barnett Technical Center. The Marines would like better linkage to mass transit. The recruits and their families would be better served if they did not have to rely on private automobiles. MCRD has approximately 900 civilian employees. Recruit classes of approximately 500 each 12 weeks, approximately 12,000 visitors attend graduation events for typically 4 days. Adult entertainment is a problem. The configuration of roads is confusing to visitors. Housing in the are for the civilian employees would be a benefit.

6. METROPOLITAN TRANSPORTATION DEVELOPMENT BOARD

Toni Bates
231 1466
Kathy Donnelly
557-4545
Kathy.Donnelly@mtdb.sdmts.com

4/19/02 Meeting with Ms. Donnelly provided previously prepared relevant documents and preliminary plant alternatives for a parking structure under I-5 associated with Old Town, the Trolley and SPAWAR. MTDB will consider adjusting proposed routes based on findings of the Study.

7. Navy/SPAWAR

Dave Osborn
524-7997
Lt. Vogelsang, LCDR Kevin G.
vogelsak@spawar.navy.mil
858-537-0268

4/17/02 Meeting with Lt. Vogelsang.

- SPAWAR conducts $3-4 billion business per year in San Diego with its various contractors. Contractors are expected to be located within a 10 minute service area to SPAWAR. The current facility provides for some contractor offices. 2,100 parking spaces.
- They are in discussions with MTDB to develop a parking structure under I-5 associated with Old Town, the Trolley and SPAWAR.
- The City is planning to install a traffic signal at Pacific Highway and Enterprise in June 2002.
- SPAWAR is willing to provide irrigation water to improvements in the public right-of-way.
- The pump station southwest of the facility, in the Pacific Highway underpass is to be removed. The pedestrian overpass is to be demolished.
- SPAWAR would support a height limit above 30'. Kevin thinks that their building is 45'.
- They are participating in redevelopment studies for the small corner of property between Enterprise, Pacific Highway and Barnett.

8. PUBLIC UTILITIES

Requests for underground and overhead facilities were requested in writing from:

- SDG&E
- Level 3 Communications
- Pacific Bell
- AT&T
- MCI WoldCom
- Cox Communications

9. SAN DIEGO PORT DISTRICT

Bill Chopyk,
Planning Manager
686-6283

- The 'Navy estuary' under the glide path is leased from the Navy (maybe City now?) can not build above the surface in this area.
- It is a sensitive habitat.
- The Port considered providing water access to the airport for boat transit, but found the bridges to be too low. He could find the bridge drawings if necessary indicating clearance in low and high tide.
- The Port Master Plan will be sent. Draft Airport Master Plan EIR will be out "soon."

10. SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD

Stacey Baczkowski
Environmental Scientist
State of California
California Regional Water Quality Control Board
San Diego Region
9174 Sky Park Court, Suite 100
San Diego, CA 92123-4340
858-637-5594
baczs@rb9.swrcb.ca.gov

- Municipal Stormwater Permit
- Water Quality Certification, with the Corps of Engineers' permits
- General concerns include:
  - Water Quailty
  - Invasion of exotic plants and animals
  - Water circulation re: tidal cycle
  - Urban runoff – permeable pavement, bioswales
  - Underground utilities
  - Shape of the channel re: adjacent land uses
- Contact Karen Henry at the City of San Diego 525-8647
- See the Standard Urban Stormwater Mitigation Plan (SUSMP) webpage

http://www.co.san-diego.ca.us/cnty/cntydepts/landuse/env_health/pcw/pcw_modelprograms.html

11. U.S. POST OFFICE

Art Pardo
Manager of Facilities, Environment. Campus and Purchasing Programs
U. S. Post Office
11251 Rancho Carmel Drive
San Diego 92119-9361
858-674-0583
Apardo@email.usps.gov

- The 30 acre Midway Post Office is currently expanding services on site. It has no plans for moving.
- The U. S. Post Office is open to options in the redevelopment of the Midway Community if space were available at an suitable location and relocation costs were covered by the City.
- If the airport relocates the facility would follow. Airport access is critical.
- They are in the process of renewing their existing lease at Lindbergh Field. They would like to have more space at the airport but understand it is unlikely.

12. City of San Diego Fire Department

Bob Medan
Deputy Fire Marshal
City of San Diego
1222 First Ave., 4th Floor
San Diego, CA 92101
446-5444

- 4/26/02 Mr. Medan provided the City's access standards and policy documents.
- The existing fire station #20 could be relocated if recommended by the Study and redevelopment plan as long as it meets their criteria.
- The City is responsible for fire service for SPAWAR, MCRD.
- He would like to remain involved in the planning study and review alternatives.
- Criteria for bridges would be from Caltrans.

13. SANDAG

Stephan Vance
Senior Transportation Planner
San Diego Association of Governments
(619) 595-5324
Fax: (619) 595-5305

- Ideal bikeway is 10' for bikes separated from a 6' pedestrian path.
- Commuter bicyclists favor use of the road in a class II bikeway.
- Current configuration of roads is hazardous. Consider downgrading Pacific Highway, redesign the Barnett intersection.
- The new Streetscape Design Manual should be helpful.

- Consult with Mike Hicks re: the I-5 Corridor Study.

14. SANDAG

Michael Hix
Senior Project Manager, Transportation
San Diego Association of Governments
(619) 595-5377
Fax: (619) 595-5305
Mhi@sandag.org

SANDAG provided a Draft of diagrams from the Central Interstate 5 Corridor Study.
Planning concepts for the future 20-30 years include:

- Complete the quadrant ramps on 1-5 and I-8 in along with Seaworld Drive/Pacific Highway reconfigurations
- Slip ramp to Rosecrans (and the Old Town Transit Center) from west bound I-8 to south bound I-5
- High Occupancy Vehicle (HOV) lanes along Pacific Highway connecting Old Town Transit Center to future I-5 HOV lanes
- Dedicated bus lanes along Pacific Highway from the Transit Center to the Airport
- I-5 access ramp to Barnett Avenue
- Widen east bound ramp from I-5 to I-8

SANDAG's Airport Study will be complete by January 2003. It is expected the decisions will take 1-2 years to complete by the voters.

15. City of San Diego Transportation Planning

Gary Halbert

Nasser Abboud, Phd.
Associate Engineer – Traffic
Nabboud@sandiego.gov

5/02/02 Meeting, introduced the Study's goals, scope and schedule.

- Rosecrans Corridor Working Group is active. The street is planed to have 3 lanes north and 2 lanes south to Nimitz.
- Another group has hired Kurt Hunker to conduct design studies for elements such as gateway signs and banners.
- City is considering a traffic circle at Rosecrans and Sports Arena Boulevard.
- Additional studies for Airport access and the missing link at I-5 and I-8.

16. City of San Diego, NTC

P. J. Fitzgerald
Development Project Manager
446-5240
pfitzgerald@sandiego.gov

Maureen Ostrye
Project Manager, NTC
Redevelopment Agency
600 B Street, suite 400
San Diego, CA 92101
Mostrye@sandiego.gov

7/17/02 Meeting, introduced the Study's goals, scope and schedule.

- NTC's program of office could work well with additional office space in the Midway Community.
- Transit into NTC will be developed as needed.
- NTC's planned pedestrian/bicycle access is near the property boundary with MCRD off Barrnet. Community linkage to the access point will be valuable.

17. U.S. FISH AND WILDLIFE SERVICE

Martin Kenney
760-431-9440 X252
Extensive concerns regarding habitat mitigation. Will review plans when submitted.

18. COUNTY OF SAN DIEGO DEPARTMENT OF ENVIRONMENTAL HEALTH

David Felix
619-338-2222
DEH could provide 3rd party review of specific projects. They have authority over underground storage tanks but nothing else. Costs and benefits associated with redevelopment depend on the complexity of each site.

Gary Erveck
Director of Environmental Health
P.O. Box 129261
San Diego, CA 92112-9261

California Department of Transportation
Caltrans was not contacted because SR 209 has been transferred to the City of San Diego
Federal Highways Administration
FHA was not contacted because SR 209 has been transferred to the City of San Diego
Federal Aviation Administration
FAA was not contacted. The Port Authority provided the Lindbergh Field Master Plan.

XVI. BIBLIOGRAPHY

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